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Note: *All Chicago seminars are held in The Educational Foundation's Conference Center at 250 S. Wacker Drive.*

For information, contact:
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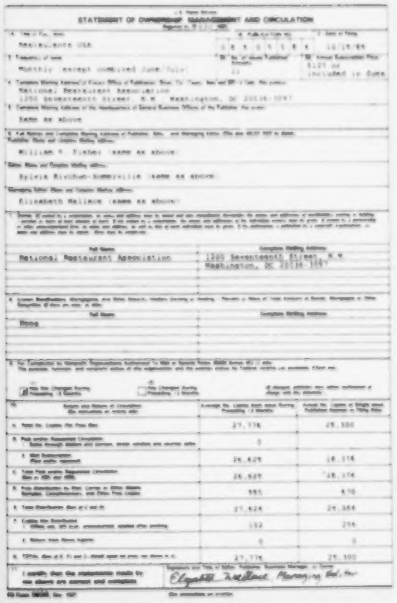
The Executive Study Groups present semi-annual professional development programs for executives who would like to meet with their industry peers to share ideas and concerns. Executives in each of the aforementioned disciplines from member foodservice companies are welcome and encouraged to participate.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RESTAURANTS USA

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PRESIDENT'S REPORT

Harris H. "Bud" Rusitzky, President
Serv-Rite Food Service and Consulting Corporation
Pittsford, New York

Repeal of Section 89 delayed

In an effort to speed through a budget reconciliation bill, Congress may eliminate all measures attached to the bill that would lower revenues. Those measures include:

□ the repeal of Section 89, the controversial and complicated bill requiring businesses to conduct costly tests on employee-benefit plans to prove there is no discrimination,

□ an extension of the Targeted Jobs Tax Credit (TJTC),

□ a reduction in the annual federal tax on alcohol sellers and

□ a tax deduction for the health-insurance costs of the self-employed.

Because there is so much support for these provisions, it is likely that both the House and Senate will find a way to vote on them after the budget reconciliation bill passes.

That is why we must continue to let our representatives and senators know that we support the Section 89 repeal, the Targeted Jobs Tax Credit extension, the alcohol-tax reduction and the tax deduction for health-insurance costs for self-employed individuals.

Minimum wage still being argued

As this issue of ***Restaurants USA*** goes to press, the House is again planning a vote on a bill that would raise the minimum wage to $3.80—to begin January 1, 1990—and to $4.25—to take effect January 1, 1991—with a two-month training wage for first-time workers. President Bush would almost certainly veto a bill in this form. In the meantime, the Senate is trying to work out a compromise that it thinks the President will find more acceptable. No one can predict the final outcome. But the National Restaurant Association continues to oppose any increase in the minimum wage.

Congress continues to discuss ADA

Another bill still pending is the *Americans with Disabilities Act* (ADA), which would prohibit discrimination against disabled persons, both as employees or potential employees and as customers. The foodservice industry values its many disabled employees and welcomes disabled persons as customers. Yet there are some undesirable aspects in this bill. We are concerned with:

□ ambiguous language that will make it uncertain whether we are complying with the bill,

□ the right of disabled persons who feel they have been discriminated against to seek remuneration in court that could lead to costly lawsuits and

□ the lack of any funds, credits or rebates to help restaurateurs recover the cost of the adjustments the bill requires them to make.

Your association supports ADA, but we are urging Congress to make changes in the language and to expand the existing tax credit for businesses that make needed adjustments.

New publication answers most-often-asked questions

In response to many requests for basic statistics having to do with the foodservice industry, your association's research department has come out with a publication, *Eating and Drinking Place Figures*. This booklet contains all the basic numbers compiled from the 1987 Census of Retail Trade having to do with foodservice—number of restaurants and types, sales figures, employ-

ment figures—all broken down by states and by major metro areas.

For a preview of the material contained in the publication plus information on how to order it, turn to the "Foodservice Trends" section in this issue of ***Restaurants USA.***

Speakers slated for solid-waste symposium, Jan. 9

Your association has booked some outstanding speakers for the solid-waste symposium to be held in Washington DC, January 9. Representatives from both private businesses and government agencies will speak on recycling, disposable packaging, new lightweight packaging, recycling laws and some innovative solid-waste solutions. One featured speaker will be Louis Crampton of the Environmental Protection Agency (EPA), who will present a national overview of the solid-waste problem.

In addition to the speakers, there will be a panel discussion at the end of the day, with four panelists from our industry talking about good and bad experiences they have had managing solid waste. Then it will be the attendees' turn to share their experiences.

I consider the solid-waste issue to be one of the most important problems facing our industry, and I urge you to take this opportunity to educate yourself on this issue. You can phone in your registration by calling the National Restaurant Association's Technical Services Department at 1-800-424-5156 or (202) 331-5900.

Monterey Wine Festival to be held March 18-20

The dates have been set for the 1990 Monterey Wine Festival. It will be held March 18-20 at the Monterey Conference Center in Monterey, California.

Approximately 250 California wineries will pour 900 wines at this year's festival. Elegant wine tastings, informative seminars, the fifth annual Monterey Wine Festival Auction and a first-ever Festival Golf Tournament will be part of the festival "experience." There will be more information in the months ahead on what has become one of the most-celebrated wine events in California.

Educational foundation can help with labor-shortage problem

Industry forecasts are predicting no letup in the labor crunch as we enter the '90s. But not everyone is scrambling to find help. Many restaurateurs are dealing with the labor shortage by using education and training programs to attract new employees and keep old ones. By using the seminars, courses and training materials of your association's educational foundation, you can create your own cost-effective training and retention programs.

Welcome new members

We're happy to welcome the 80 new members who joined our association last month. We hope you will take advantage of all the benefits, programs and assistance offered by the National Restaurant Association. We also hope that you will join with other members in working to further the interests of our industry. You will find that your participation will strengthen your own business as well as the industry as a whole.

Sincerely,

Bud Rusitzky

Harris H. "Bud" Rusitzky
President and Chairman of the Board

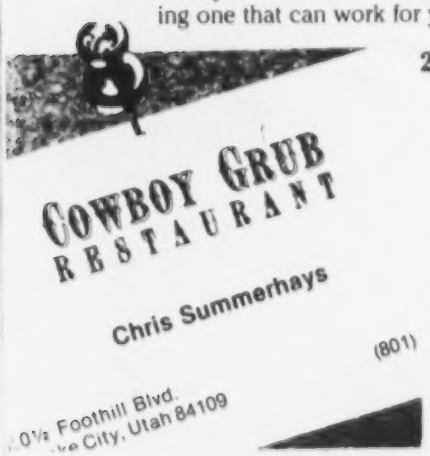
COVER STORY: RESTAURANT CULTURES CAN KEEP COMPANIES HEALTHY

12 It reflects a company's spirit, its attitude, its management philosophy and core values. It is elusive and difficult to define, yet companies that have it are deemed winners and those that don't are finding it difficult to compete. What is this mysterious yet integral ingredient of success? A positive restaurant culture. Find out how it works from restaurant executives who swear it keeps their operations healthy.

SPECIALS

17 Viewpoint—paradigm for success in the '90s
Herman Cain, president and CEO of Godfather's Pizza, has led his company to the top of its segment. In this viewpoint, he discusses how restaurants should be gearing up for the next decade.

23 Slogans—finding a phrase customers can't get out of their minds
A catchy and easily remembered slogan quickly identifies your restaurant. Here are some pointers for finding one that can work for you.



24 Business cards are good business
That little 3½-by-2-inch card you keep buried in your wallet is a natural—but often overlooked—marketing tool for your restaurant. Here's why you should get your business cards out of your pockets and into the hands of prospective customers.

26 Coming to a truce—bridging the gap between the front and the back of the house
Most restaurants have stories of misunderstandings and arguments between cooks and servers, but in too many restaurants this tension is accepted as "just the way it is." This article examines restaurant programs that have increased communications and teamwork, resulting in happier, friendlier working environments.

19 Bottom-up marketing
Companies that want to stay competitive can no longer rely on a system where all the decisions are made at the top. Listening to employees who are on the frontline—and know what customers need and want—is the first step towards developing a bottom-up strategy that will keep your company vital and responsive to the marketplace.

30 31 ways to reduce burnout
It's not news. The long hours and physical and emotional demands of the business have burned out some of the finest, most talented and motivated restaurant people. Here are 31 ways you can fight the threat of employee burnout.

Cover photo by Gary Landsman
Torch supplied by Paul Stone; Arlington, Virginia

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- ☐ Thief finds "just desserts"

They need your help

Students hammered by Hugo

Woody, 22, lost his job when the severely damaged Wild Dunes resort was closed. He gave his apartment to friends who had lost their home and belongings. Then he dropped out of school and moved back to his family's home in equally devastated McClellanville, South Carolina, to do construction work.

Woody is or was a student in the hospitality management program at Trident Technical College in Charleston, South Carolina. He is just one of the many hurricane victims who are suffering much more than property damage. They are precariously close to losing something even more precious in the long run: their education.

Although many students in Trident's hospitality program are self-supporting—working part or full-time in area restaurants or hotels while attending classes—many restaurants remain closed, hundreds of workers have been laid off, and the employment prospects for the next year appear grim. Without that weekly paycheck, many Trident students simply cannot afford to attend college.

"We had 110 students enrolled in our Hotel-Motel Restaurant Management and Culinary Arts Technology associate degree programs for fall quarter. Since the hurricane, we've lost 25 percent of the students in one class," says Deborah Breiter, Trident's hospitality management department head.

The college is taking steps to keep students enrolled. Funds for student emergency loans have been increased through two emergency loan funds in the Trident Technical College Foundation, and the college is coordinating a variety of services, including counseling, a book-loan program, a temporary day camp for students with young children, and the distribution of emergency supplies such as propane stoves for students in areas still without electricity a month after the hurricane.

"We anticipate that student needs will continue to be high for at least the next year from the ripple effects of Hugo," says Trident president Charles W. Branch.

But the needs are far greater than the resources. The biggest need, Breiter says, is money. "The hospitality industry has recognized the importance of education for its members, and the need for highly trained staff and management. Here's an opportunity for the industry to help that happen," she says.

According to Breiter, $300 will pay for the full-time tuition and books for a hospitality management student for one quarter. Donations may be made to the Trident Technical College Foundation, either to the general student emergency fund or earmarked for hospitality management students, at PO Box 10816, Charleston, SC 29411. For more information, call Trident's hospitality management department at (803) 722-5541 or the foundation at (803) 572-6209.

New soyoil symbol

A marketing boost. **The American Soybean Association has developed the soyoil symbol for foods that contain or are cooked in oils that are at least 80 percent soy. Soy oil—low in saturated fat and consisting primarily of polyunsaturated fat—is a good choice for heart-healthy cooking. Table tents and door decals are available for foodservice operators using soy oil. Call 1-800-TALK-SOY for more information about the soyoil symbol.**

Ed Debevic's hosts "spokespawson"

That coolest of cats. **The Pink Panther "pawed" in as the official "spokespanther" for the Starlight Foundation at a press conference hosted by Ed Debevic's Short Orders Deluxe this fall in Beverly Hills. Witnessing the momentous occasion were Marc Cohen (left), vice president of fundraising for the Starlight Foundation, and Ed's own gals, Madilyn Snerr (second from right) and Toots. Ed Debevic's will host a star-studded party to benefit Starlight on November 9 as the highlight of "Paint the Town Pink," a weeklong series of events commemorating the 25th anniversary of the Pink Panther.**

Welcome to London, San Diego-style

For Anglophiles. **The Piccadilly Line restaurant in San Diego was designed in the image of London's famous gathering place, Piccadilly Circus. At the Piccadilly Line, diners will see some of the same lines, lights and colors they would see on a trip to Piccadilly Circus. Pictured in the foreground is Eros, the Greek god of love. You'll also see him at The Piccadilly Line clutching a hot-pink neon bow.**

Apply now for grants and fellowships

Applications for 1990 teacher work-study grants and fellowships are now available from The Educational Foundation of the National Restaurant Association.

□ **Seven fellowships** for foodservice/hospitality educators pursuing advanced degrees are sponsored by the H.J. Heinz Foundation and administered by The Educational Foundation. The fellowships, ranging from $1,000 to $2,000, are awarded to foodservice educators and administrators to further their studies toward a master's degree.

□ Twenty-five $2,000 **teacher work-study grants** provide hands-on participation in the foodservice industry for teachers and administrators. A grant from the National Restaurant Association funds the program.

Each $2,000 grant supplements income earned during work-study employment. Teachers must work in a foodservice establishment for 320 hours of full-time employment, working a minimum of 35 to 40 hours per week during an 8 to 10-week period. The experience increases both their technical skills and awareness of current industry trends and operational techniques.

The grants and fellowships are awarded on a competitive basis. Completed applications must be postmarked by December 31, 1989.

For more information or applications, contact: Scholarship Department, The Educational Foundation, 250 S. Wacker Dr., Suite 1400, Chicago, IL 60606, 1-800-522-7578 or (312) 715-1010.

Environment issue "invaluable"

Dear Editor:

Congratulations on your good and complete article, "America's Trash Crisis," in the August issue. I think you did a good job of reporting on the subject and pointing out to the industry that there are things we can—and must—do.

—Paul J. Mitchell, vice president, public relations, Carl Karcher Enterprises, Anaheim, CA

As you know, Governor DiPrete has long held a commitment to environment. Your recent magazine is invaluable in helping us continue our work in this area.

—Anna F. Prager, senior policy analyst, State of Rhode Island and Providence Plantations, Providence, RI

Employers ...please listen

One sad part of this business is that employee input doesn't matter. Granted, employers will listen to most employee suggestions or ideas; but the odds are that they'll never use them. Usually you get a smile or a pat on the back, and you're sent on your way. I've had it happen to me and have seen it done to others. As an example, you come up with a new item for the menu—whether a dessert, sandwich, entree or appetizer—you tell your boss about your idea; and he might say he likes it but always seems to have an excuse why it won't fit in with the current menu.

Not only have I seen this happen with food ideas, but I've also seen an employee, such as a dishwasher, busperson or waitress, come up with an idea to make working conditions safer or more productive only to have it disregarded, or even worse, someone "in authority" suggests it to his boss, has it put into use and gets total credit for it.

This type of thing gets old after a while. Restaurant owners always seem to wonder why they have such a turnover of employees. Maybe if as much attention were paid to employees as is given to food and labor costs, a change for the better would occur after a while.

—Kevin Scot Vander Laan, Spring Lake, MI

Not that finicky...

As a reader as well as a subject, I very much enjoyed Gary Stern's "Thumbs Up: Restaurant Critics Take the Floor" (May 1989). However, I must correct one misprint. It's not that I object to being known as a finicky restaurant critic, but even I don't really expect a restaurant to serve "homemade caviar" as was quoted in the article. I think the article should have read "imported." As enticing as homemade caviar might sound, I've never found even the most ambitious of home cooks who could manage to get a sturgeon to spawn in his bathtub.

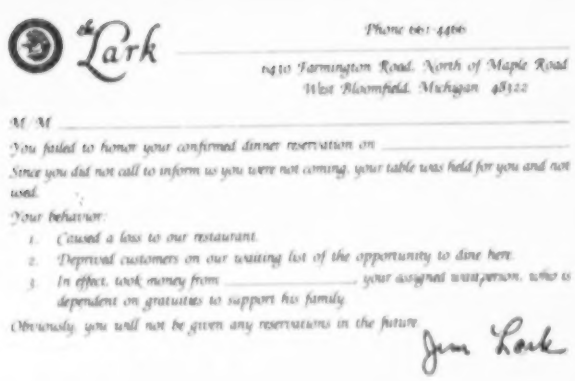
—Phyllis C. Richman, food critic, *The Washington Post*, Washington DC

Being gutsy with no-shows

Regarding no-shows, our procedures have reduced no-shows to about 1 percent.

1. All patrons making reservations must provide both a home and office phone number. If either is refused, the reservation is not accepted.

2. All reservations, even from good patrons, are reconfirmed by phone.



The Lark

Phone 661-4466

6430 Farmington Road, North of Maple Road
West Bloomfield, Michigan 48322

M/M _____

You failed to honor your confirmed dinner reservation on _____

Since you did not call to inform us you were not coming, your table was held for you and not used.

Your behavior:

1. Caused a loss to our restaurant.
2. Deprived customers on our waiting list of the opportunity to dine here.
3. In effect, took money from _____, your assigned waitperson, who is dependent on gratuities to support his family.

Obviously, you will not be given any reservations in the future.

Jim Lark

3. Strangers making reservations larger than a party of four are required to give a "credit-card guarantee." No credit-card company will allow us to enforce the "guarantee," but the procedure does shake out many weak reservations.

4. We send a card to no-shows (see sample). I wish other restaurants had the guts to do so.

Since ours is a very expensive restaurant with no walk-ins, there is no question of how long we hold a table. A no-show is a dead loss.

We wish the National Restaurant Association would mount a campaign to make a binding credit-card guarantee available.

—Jim Lark, The Lark, West Bloomfield, MI

Another view of sensible scheduling

In regard to the viewpoint article "We Need Sensible Scheduling" in ***Restaurants USA,*** September 1989, I agree that one of the ingredients for retaining employees is sensible scheduling. However, I feel Lewis C. Forrest has taken a wrong turn on what to do about it. Giving everyone 8-hour shifts is not the answer.

Forrest stated that he "couldn't understand why some restaurant employees have to arrive at work at a different time every day," and "also fails to understand why so many positions in our business have to be part time." May I offer some reasons?

1. We do not schedule to prevent overtime, we schedule for demand. A) Breakfast—approximately 7 to 10 a.m.—3 hours. B) Lunch—approximately 11 a.m. to 2 p.m.—3 hours. C) Dinner—approximately 5 to 8 p.m.—3 hours.

2. Labor hours typically are given for or in relation to sales. In other words, you have more people during busy hours, fewer during the slack.

3. Many restaurant employees are students and depending on whether they are in college or high school, their schedules vary, and the manager juggles to give them hours and cover the restaurant's needs.

Employees "beg for hours" only if you promise what you can't deliver. On the other hand, employees who are sincere usually get the hours. Many times my employees ask for all the hours I can give them, but they can't work lunch, Fridays and every other day for schoolwork! You call them in to take the place of a sick employee, and they're busy!

You also noted that it's not worth going to work for $8.75. I agree! The problem here is not scheduling, but a full-time employee taking a part-time job. Here in California the minimum wage is $4.25/hour, and it hasn't helped a bit in regard to quality or quantity of people hired or retained.

I agree that if I could work all my employees in 8-hour shifts, my life would be easier, but reality and the business demands won't allow [me to].

Toward the achievement of sensible scheduling, I practice or do the following. I believe they help, of course, but there are no complete answers.

□ 1. When hiring, record on the application such information as whether the applicant is interested in working part time or full time, is a student or has other time-consuming activities. Also note the upper and lower limits to how many hours he or she can work.

□ 2. Tell up front what the shifts and hours will be. Ask whether they fit the employee's needs.

□ 3. Hire for what you need! Don't hire four part timers to cover a full-time shift, or vice versa.

□ 4. Live the attitude that all days-off requests will be honored if adequate notice is given (helps with absenteeism). Some social activities, in some cases, are more important than work!

□ 5. Have enough employees on "bench" to cover "days-off" needs. (Bench employees are employees who would like more hours or will work more hours, if needed.)

□ 6. Record days-off needs on a large squared calendar. Ask for one or two weeks' notice.

□ 7. Develop a weekly fixed-schedule chart for all employees. This shows Sunday to Saturday when employees can work and how many hours they need per week. This is a useful scheduling tool.

□ 8. Reward employees who get or take short shifts with longer, more desirable shifts.

□ 9. Try to keep employees' schedules close to the same every week. That way they know they work every Friday from 5 to 9 p.m., etc. (Helps with absenteeism).

□ 10. Cross-train employees. The more jobs they can do, the easier it is to schedule them!

□ 11. Last, but most important, communicate! Talk to and listen to your employees' needs. Be up front with how you can help them, and never say, "I'll see what I can do!" Either you can or you can't.

—Dennis Cook, manager, Foster Farms Restaurant, Modesto, CA

Portland, Oregon

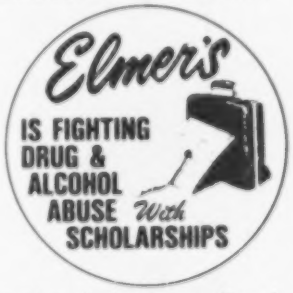
One bright point of light

Early in 1989, Herman Goldberg, president of Elmer's Pancake and Steak House, Inc., decided that the 28-unit company, based in Portland, Oregon, would place an increased emphasis on public service. Its first major community project, a drug and alcohol prevention scholarship program for public high schools, drew so much attention that even the White House noticed.

"Since our teens are the future of America, we feel it is imperative for corporate America to take a more active role in public awareness of the alcohol and drug problem that's plaguing our youth. That is why Elmer's is initiating this scholarship program, in hope that it will make a difference in combating this serious problem," says Goldberg.

The scholarship program revolves around a videotape called, "The Victims," which graphically details the immediate and lingering effects of accidents caused by drivers under the influence of drugs and alcohol. The restaurant chain donated more than 250 copies of the videotape to schools for student education, and then set up a program through which graduating seniors can qualify for company-sponsored scholarships.

To qualify, high school seniors must write an essay about their thoughts and feelings about the video or a relevant DUI (driving under the influence) issue. In December four $2,000 scholarships will be awarded from a random drawing, and other smaller scholarships will be awarded for "best content"



and to the best overall anti-drug program.

According to director of advertising Zed Merrill, the response to the scholarship program has far exceeded expectations. Although the program was initiated only in the four counties that make up the greater Portland area, requests for videotapes have come from more than 250 miles away. Other requests for videotapes and scholarship information have come from churches, private companies and even Portland's professional basketball team—the Trailblazers.

Elmer's has promoted the program through ads on buses and through brochures, banners and buttons, worn by servers and busboys, that read, "We're fighting drug and alcohol abuse with scholarships." In addition to getting laudatory calls and letters every day from students, parents, school counselors and customers, says Merrill, almost every local radio and television station has run public service messages and interviews about the program.

Recently, Merrill and Goldberg were invited to the White House to explain their anti-drug approach, and also to meet with officials in "Drug Czar" William Bennett's office. (Bennett is the director of the office of national drug control policy.) "In both offices, we were told that ours was an exemplary private effort—exactly what President Bush is looking for in terms of grassroots programs without federal support," says Merrill.

Although the scholarship program was intended to be a one-shot local effort, its snowballing success has excited franchisees in Washington state, California, Idaho, Montana and Alaska. In addition to possibly extending the program to some of those areas, Elmer's also is planning to include junior and intermediate high school students.

One of the results that has been most gratifying, however, is that the program seems to have inspired other members of the business community. "We've been somewhat amazed," says Merrill "that although other businesses donate money, not many have a plan of action. We hope our program will create an incentive for other members of the business community to join us in this worthwhile effort."

Chicago, Illinois

Hot dog and roe to go

Chicago residents have asserted aggressively that their distinctive style of hot dog, complete with a beguiling variety of fresh, colorful toppings, is the king of wieners. Whether or not one agrees with the biased residents of the Windy City, it's impossible to deny that Bob Stiglich, owner of Chicago's "Let's Dog It," is putting out a dog fit for royalty.

The Chicago red hot comes not only with the traditional mustard, chopped tomatoes, relish, onions, pickle spear, tiny "sport" peppers and a dash of celery salt, but also with what he justifiably calls "the gourmet touch"—caviar. Stiglich's offers three varieties—fresh salmon golden eggs at $7.00 an ounce, fresh American sturgeon at $12.00 an ounce and, for those who really want to impress their date, Caspian beluga at $20 an ounce.

"The usual scenario,"

says Stiglich with a laugh, "is that a couple will get two franks with everything and then split an ounce of caviar, which we lace from one end to the other on the two dogs. Let me tell you, those who are wild enough to try it, love it."

Of course, in true Chicago form, Stiglich is quick to point out that his dogs have several other features that set them apart from the usual "garden on a bun" being served up at the city's estimated 2,000 hot dog stands. His sausage of choice, made by Usinger, uses all natural casings and fillers with no MSG, and his relish is not, as he says, "that fluorescent green stuff everyone else uses," but a specially made red-pepper gourmet relish imported from Boston. In addition, the Lincoln Park shop's decor, with white ceramic tile, a glass-block counter with white Corian countertop, ruby-red neon and mirrored wall with the shop's logo, set "Let's Dog It" apart from the standard simple hot dog stand.

Stiglich admits, however, that the true key to his gourmet dog concept is the caviar. "I never anticipated caviar sales to be as much as they are," he marvels. "I've already reordered eight times."

Longboat Key, Florida

A touch of the Welsh

In addition to being owner of Schenkel's Restaurant in Longboat Key, Florida, Edith Barr Dunn is an award-winning community leader and has written an autobiography. Yes, she wears several hats—and anyone who doubts that need only take a look at Dunn's collection of more than 300 size-seven Stetsons and bowlers. But the accomplishment Dunn is most proud of these days is the publication of her 335-page cookbook, "Cooking Made Easy with a Touch of the Welsh."

Dunn's labor of love is as unique as her native cuisine. The authentic South Wales recipes in her book include *ffagots* (pig's liver and onion casserole), *bara mwyar* (blackberry and bread pudding) and *pastai cennin* (leek pie), as well as the somewhat familar Welsh rarebit, which contains no rabbit, and *pastai gwningen* (rabbit pie), which does.

"Cooking Made Easy" also includes many nonWelsh dishes that have become favorites at Schenkel's since the restaurant opened in 1942. These signature recipes range from *Mussels Pontypridd*, cooked with leeks in a cream sauce, to the restaurant's celebrated pot pie.

Dunn's book is out of the ordinary also because it includes narratives of her experiences as a restaurateur and captioned photos of Schenkel's long-time employees. One of the most enjoyable added bonuses is a section on "Welsh Ladies' Household Hints," where the reader learns how to cure a headache without pills (by boiling equal quantities of vinegar and water in a small stew pan, and inhaling), how to darken hair with green tea and sage leaves, and how to prolong the life of cut flowers by putting the stems into slits cut into a potato.

—David Slater

Section 89 repeal jeopardized by budget process

Snafus in the federal budget process last month spelled trouble for Section 89 repeal, Targeted Jobs Tax Credit (TJTC) extension and several other tax changes supported by the National Restaurant Association.

After an overwhelming 390–36 House vote to topple the employee-benefits nondiscrimination law and a unanimous vote for repeal in the Senate Finance Committee, the full Senate decided to strip all revenue-losing provisions from its fiscal 1990 budget bill.

In addition to Section 89 repeal, the Senate removed from its bill proposals to extend the TJTC through 1991, continue the 25 percent tax deduction for health insurance costs in unincorporated businesses and scale back a $250 annual federal occupational tax for alcohol sellers.

Although most of these provisions remained in the House version of the bud-

DCROUNDUP

□ **Association backs changes in legal immigration system.** The National Restaurant Association has filed comments with a House Judiciary subcommittee, asking Congress to consider the needs of U.S. employers when deciding how to allocate permanent and temporary visas to foreigners.

Detailing current and projected labor shortages in the foodservice industry, the association said Congress should lighten educational and skills requirements for immigrants so that less-skilled workers could enter the United States to fill jobs.

The association also asked Congress to establish programs under which U.S. employers could petition for foreign workers to enter the United States temporarily to fill positions going unfilled because of shortages of U.S. workers.

□ **Alcohol labeling takes effect this month.** All beer, wine and liquor bottled after November 19, 1989, must bear a new government warning that cautions pregnant women, drivers and others of the hazards of drinking alcohol.

However, congressional sponsors of the new law are unhappy with the labels they've seen so far. They say the warning is not prominent enough and the lettering is often so condensed as to be illegible. They have asked the federal Bureau of Alcohol, Tobacco and Firearms to spell out stricter requirements for the size and placement of the warnings.

□ **Whistleblower bill introduced in House.** Hoping for better results in the House than in the Senate, organized labor is backing a bill by Rep. William Ford (D-MI) to give broad legal protection to employees who blow the whistle on their employers for alleged health and safety wrongdoings.

A similar measure has been languishing in the Senate since February. Employers, worried that the bill could protect even malicious employees who publicly level unfounded ac-

get bill, House negotiators appeared willing to drop the revenue-losing proposals in order to speed up the budget process.

As this ***Restaurants USA*** went to press, a joint House-Senate conference committee charged with coming up with a final budget bill had not yet decided what to do with the extraneous provisions.

The National Restaurant Association will lobby Congress to schedule separate action this year on Section 89 repeal, TJTC extension and other measures—if legislators indeed drop these provisions from the bill.

cusations against employers, have strongly protested the legislation.

Ford's bill, H.R. 3368, was referred to the House Education and Labor Committee.

□ **Subcommittee chief pushes IRCA reform bill.** Rep. Bruce Morrison (D-CT), chairman of the House Judiciary Committee's subpanel on immigration, wants Congress to amend the 1986 Immigration Reform and Control Act (IRCA) to give some relief to employers.

Provisions in a bill by Morrison, H.R. 3374, would require the Immigration and Naturalization Service to assess administrative sanctions—civil fines, for example—against employers before pressing criminal charges in cases where INS alleges a "pattern or practice" of noncompliance with IRCA.

H.R. 3374 would also create a standard work-authorization document employers could easily recognize as valid proof of an applicant's eligibility to work in the United States.

—Denise Roach

Fall board meeting report

The National Restaurant Association's Board of Directors met last month in Washington DC in conjunction with the association's Public Affairs Conference. At the meeting, the board reiterated its position on such key government issues as the minimum wage, Section 89 and FICA repeal. In addition, the following resolutions and issues were discussed at committee meetings:

□ The **state relations** committee called for an increase in targeted district meetings with members of Congress, full Key Contact coverage for congressional committees of importance to foodservice interests and increased association staff travel to state restaurant association meetings.

□ The **political action** committee is working toward a goal of $1 million to be raised by December 1990—the conclusion of the next election cycle. A comparison of contributions at the same point in the last cycle shows that regional contributions have more than tripled and overall contributions have almost doubled, which suggests that more operators recognize the importance of being involved.

□ The **communications** committee directed staff to produce a new four-page brochure describing services the association offers to its members. Communications staff will also produce a leaflet on nutrition in restaurants, for distribution by members to their customers. The leaflet will tell customers about the nutritional options available in restaurants and how to request them.

At a recent board meeting, R. Boyd Morris was recognized by his colleagues for 41 years of service as a National Restaurant Association honorary director. Morris (left) is presented a commemorative plaque by Jim Peterson, immediate past president of the association.

□ The **convention** committee learned that a record 106,000 attendees and 1,720 exhibitors participated in this year's Show. Post-Show questionnaires revealed that exhibitors rated the Show a 3.2 on a scale of four and that 86 percent would definitely return.

□ A dual-membership proposal with the New Jersey Restaurant Association was approved by the **membership** committee. The National Restaurant Association now has dual membership with 18 states.

□ The **research** committee reviewed final questions for a membership survey on benefits for hourly workers. Survey results will be available in January.

□ The **technical services** committee directed staff to work with regulators to prevent new safety problems from arising when the Americans with Disabilities Act passes, as is likely. Plans to upgrade the sanitation training program provided by the National Restaurant Association Educational Foundation were also discussed, and the committee approved a resolution urging manufacturers to use universal product codes.

□ The **alcohol awareness** task force passed a resolution calling for every state to issue tamper-proof licenses or distinguish underage individuals by issuing a license with a profile photograph to those less than age 21 and a license with a full-face photograph to those 21 and older. Mothers Against Drunk Driving (MADD) has also agreed to press legislators for a symbol on licenses that identifies the bearer as being less than 21 years old, and MADD has endorsed an association resolution calling on states to impose reasonable penalties for minors who use false IDs. ❑

RESTAURANT CULTURES

POSITIVE CULTURES CAN KEEP COMPANIES HEALTHY

"Culture" has become a buzzword in the world of business, but its contribution to the success or failure of an operation is so important that every owner or manager, whether he or she is part of a large corporation or a small mom-and-pop restaurant, should learn what culture is and how to use it. Norman Brinker, CEO of Chili's Inc., Dallas, separates companies into winners and also-rans, and "winners have a culture," he says. Last year Chili's gave out in bonuses, stock options and profit shares as many dollars as the company earned five years ago. The turnover rate for general managers for Chili's is now only 15 percent.

by Julie Fintel

Corporate culture or organizational culture may be a "today" phrase, but the idea has been around for a while. Some even attribute its beginnings to Pericles, who lived 2,000 years ago and is considered to be the father of Athens' Golden Age. Pericles told Athens' leaders to focus on the differences that made their city special and then to communicate those differences to the citizens. The idea was to make them feel they were part of a winning team. Culture still has much the same meaning. It can be defined as an organization's core values, personality and fundamental management philosophy. According to Karen H. Tidball in *The Cornell H.R.A. Quarterly*, "Culture can be defined as a set of assumptions or an ideology shared by members of an organization. These assumptions are used by people to identify what is important and how things work in that company. When these assumptions become formalized, rules for behavior are established, so that people know how to act."

At Pizza Hut the company values its culture so much that it has allocated one page of its "Pizza Hut Story" brochure to describe it: "Our culture reflects our values—the essence of what we believe in as a people and as a system. It includes a shared vision of who we are and where we're headed. And it encompasses everything—from the way we treat our customers to how we deal with our competitors," it says.

S. Truett Cathy, chairman of Chick-fil-A, treats his employees as valued members of a family.

Julie Fintel is a communications specialist at the National Restaurant Association.

Elements of a winning culture

In fact, every company has a culture, even if it is not explicitly identified. Some may even have a negative culture that prevents the company from thriving or adapting to business and social changes.

The most effective companies have a clearly articulated positive culture—one that values its workers and treats them as part of a team or family.

"It turns out that neither superior customer service not constant innovation—the two sustaining edges of excellence—is built upon genius in the executive suite, sleight-of-hand techniques or mystical strategic moves on a gameboard that allow one to gain a five or 10-year advantage over one's competitors. Both are built, instead, on a bedrock of listening, trust and respect for the dignity and creative potential of each person in the organization," say Tom Peters and Nancy Austin in *A Passion for Excellence*.

At Domino's, chairman of the board and founder Tom Monaghan puts his philosophy into the words of the Golden Rule: Do unto others as you would have them do unto you. He tells his employees and franchisees that all they have to do to be successful is to have a good product,

Recognition reinforces the culture of Max & Erma's Restaurants, Inc. Here CEO Todd Barnum presents Kathy Serif with a store-of-the-quarter award.

give good service and apply the Golden Rule. His goal, he says, is to have people say Domino's employees are nice.

And Monaghan is nice to his employees. He believes the one way to make his workers loyal members of the team is to treat them better than they expect to be treated. He rewards them when they do well; he asks them to set goals for themselves, and he provides a long list of incentives to spur them on to meeting those goals.

At Domino's corporate headquarters in Ann Arbor, Michigan, there is one whole department dedicated just to handling employee awards. Managers, corporate area supervisors and franchise consultants can win Rolex watches, Schlesinger Brothers' briefcases, tickets to the owner's box for Detroit Tigers baseball games (Monaghan owns the Tigers) and all-expenses-paid vacations to Lakeland, Florida, where the Tigers train, or to the Domino's Lodge on Drummond Island on Michigan's Upper Peninsula. Store managers can win a Hermes tie or a trip to the Domino's Lodge. A store's Safe Driver of the Month is given a badge to wear and his name is engraved on a plaque for display in the store. Perhaps the biggest incentive of all for Domino's workers is the policy of giving franchises only to store managers who have had the job for a year. While the franchisee must pay for equipment and start-up costs, everything else is free.

Norman Brinker, of Chili's, said he started looking at the idea of culture 20 years ago. He developed his ideas by looking at the restaurant business the way he looks at sports (he rode with the U.S. equestrian Olympic team in 1952 in Helsinki). "At Chili's we do things like a team," Brinker says, "and a team needs cohesiveness, integrity and enthusiasm."

The positive cultures of successful companies have certain things in common, even if the words they use to describe those elements differ. Integrity is always at the top of the list. Other common qualities include a bottom-up style of management, having fun, efficient ways of communicating within the organization and a sense of mission (see sidebar).

Common qualities of successful cultures

□ *Integrity—at the top of the list.* At the top of almost everybody's list of culture premises is integrity. "That goes beyond not lying or stealing," says Brinker. "When you tell somebody you will do something, it's absolutely imperative that it will happen." Herman Cain, CEO of Godfather's Pizza, says the key culture ingredient is trust—trust between people in the organization and the CEO and his team and that the CEO will live up to his own ideals as well as to the ideals of the company.

□ *A bottom-up style of management.* Many companies give their employees a feeling of being on the team by implementing a bottom-up type of management style. CEOs and other company executives spend a great deal of time visiting their stores, where they talk with all the employees to get their ideas. Max & Erma's Restaurants Inc., with 12 units in the Midwest, refers to all its employees as associates. "Before we make a menu change, before we make a price change, we talk to the associates, because they will know what our customers think," says Max & Erma's president and CEO Todd Barnum. "At Godfather's Pizza we incorporate the ideas of lower-level employees," says Cain. "That's why I'm on the road 60 percent of the time. For example, the managers complained about too much paperwork, so we installed an in-store computer system."

□ *Having fun.* Having fun is another key part of many cultures. Monaghan makes the pizza business into a game, challenging his store owners and managers to meet certain goals. He says he himself has fun thinking up different prizes for those that make the goals—from an expensive tie to the grand prize of $5,000 in his annual pizza-making contest.

Chili's holds an annual putt-putt contest at its headquarters in Dallas, with each of the 18 holes set up in a different office. The offices bring in sand and other props and play appropriate music.

Weathervane Seafoods, based in Kittery, Maine, has an activities director in each of its 14 Northeastern restaurants. The director plans picnics, trips to ball games or even a gong show for workers, with the tab picked up by the company.

□ *Connecting to the community.* Community involvement is also a part of many cultures. The Keys Group in Detroit owns Burger King stores in the inner city. Besides seeing the jobs he offers as a way for youngsters to escape the drug culture, owner Brady Keys and his firm publish a free monthly newsletter for the community. It is filled with real-life success stories and exhorts youth "to follow their dreams."

S. Truett Cathy, chairman of the Chick-fil-A chain, runs a children's camp in the summer and has established children's foster homes in the Atlanta area, near the company's

headquarters. All the proceeds from his new book, *It's Easier to Succeed Than to Fail*, have been earmarked for the camp.

□ *Physical health and fitness.* The belief that a sound mind goes hand in hand with a sound body is another common culture tenet. Chick-fil-A has an exercise room and a racquetball court in the basement of its corporate headquarters, and an aerobics instructor holds a lunchtime class for employees. Many foodservice stores field their own sports teams, or their employees jog together. The Keys Group's store employees play against each other in basketball and softball leagues, promoting camaraderie as well as physical fitness. And Chili's has outlawed all smoking in its headquarters.

The CEO sets the style

The corporation CEO—or if it's a single restaurant, the owner—is the one most responsible not only for forming the culture, but also for making sure that everyone lives it. That starts by living the philosophy at the top. "Organizational members notice the practices, attitudes, philosophies and personal example of senior managers, and they direct their behavior to fit in," wrote Warren Gross and Shula Schichman in "How to Grow an Organizational Culture" in the September 1987 issue of *Personnel* magazine.

Chi-Chi's executive vice president Mike Fiori credits CEO Hal Smith's sensitivity to people for making a big change in the three years he's headed Chi-Chi's. "He personally represents and lives our philosophy," says Fiori. Among ways Smith has demonstrated his commitment to a culture in which "each and every employee is important" is by making the five-day workweek a reality for management.

At Chicago-based Lettuce Entertain You Enterprises Inc., employees can draw on a therapy fund, established to help them grow personally as well as professionally. President and owner Richard Melman believes his own time in therapy helped him realize his potential and now offers that chance to his employees through the fund. He also fosters direct and straightforward communication among employees, resulting in a "wonderful, healthy environment with little strife or politicking," reports Loret Carbone, vice president of human resources and training. This makes for employee longevity. Carbone has been with Lettuce Entertain You Enterprises for nine years, and reports that there are many who have been with the company 10 to 15 years. (The company is only 18 years old.)

Communicating culture

Although a culture starts at the top, to mean anything it must be passed on to employees at all levels. "Implementing culture is not as easy as sending out memos saying, 'Tomorrow we will do such and such,' " says Robert Woods, professor of marketing at Appalachian State University in Boone, North Carolina. In his consulting role he tries to teach managers to be spokespersons, to talk about the company culture on a constant basis.

Brinker says a discussion of the corporate culture is part of every Chili's meeting, and he adds that teaching the history of a company to employees also serves to reinforce the culture. Some companies have its purpose at what chairman S. Truett Cathy describes as a mini-retreat. The retreat was held in 1982, during a time when declining sales coincided with heavy debt incurred from building a new corporate headquarters. The result of that meeting was Chick-fil-A's mission statement: "To glorify God by being a faithful steward of all that is entrusted to us and have a positive influence on all the people we come in contact with," a statement that reflects Cathy's strong religious beliefs. Cathy treats his employees as valued members of a family and teaches his crew to wait on customers as they would want to be waited on—with smiling faces, a helpful manner and a cheerful demeanor.

Cathy rewards good performance cheerfully, too. When an operator of one of Chick-fil-A's stores increases yearly sales by 40 percent, he or she is given a Lincoln Continental to use for a year. If the operator repeats the performance the next year, he gets to keep the car.

At crew level, employees who work at least 20 hours a week and are recommended by their operator are eligible for a $1,000 scholarship, no strings attached. Employees can also apply for a $10,000 scholarship toward four years at WinShape Centre, a part of Berry College in Rome, Georgia.

Families of employees are also important at Chick-fil-A. Spouses are invited to accompany their husbands or wives to corporate meetings, with all travel expenses paid by the company. And Cathy refuses to allow his stores to be open on Sunday. He considers Sunday "the Lord's Day," and he wants his employees to be with their families on that day.

Mission—what are we about?

Before a company can successfully establish a culture, it must be clear what it is about—what its image and purpose are.

When Herman Cain became head of Godfather's Pizza in 1986, he quizzed his group of managers: "If I say Pizza Hut, what does that convey to you?" "Big," they answered. "Domino's?" "Delivery," was their comeback. "And Godfather's?" There was silence. "We had no company identity," Cain says. Nowadays, if Cain asks the same question, they answer, "quality."

To arrive at this identity, the first step is to determine what the current culture is. One way to find out is to ask others. Bill Main, owner of the Shorebird Restaurant in Princeton-by-the-Sea, California, recommends (1) asking your suppliers to tell you candidly what they have heard about your restaurant or company on the street; (2) patronizing your competition and asking their employees what the employee community at large honestly thinks of you, and (3) conducting regular "in-house" customer surveys and asking your customers to tell you exactly what they do and don't like about your operation.

Then it's time to decide whether it's time to change your culture. Cultures take time to be developed, and it's harder to change a culture than start a new one.

Chick-fil-A, headquartered in Atlanta, is the fourth-largest chicken chain in the industry and one that experienced a 14.5 percent increase in sales in 1988. Chick-fil-A established

signs posted in their operations containing their mission statement or their cultural principles. Others talk about it in company publications.

Put it in writing

Not all companies take the time to write down their culture statements, but a written statement makes it easier to transmit the ideas throughout the organization and provides continuity. Gerry Richard, Jr., president of Weathervane Seafoods, is in the process of developing a culture statement for his company because "We want to carry it on all we print, use it in meetings and use it as a message to new employees. We want to walk into any of our restaurants and ask employees what our culture is and have them be able to tell us. Our culture will be what is important to us, and it should be important to them."

Communicating usually goes hand in hand with implementing. If there are barriers that limit or cut off communication between employees at all levels or between employees and customers, then the culture won't be transmitted. Many executives make a point of keeping themselves accessible in order to foster a free flow of ideas. Many not only travel to the field often but, like Brady Keys of the Keys Group, they also make it known that their office door is always open. Company newsletters are other ways to keep the culture up front.

And Pizza Hut conducts surveys of professional employees every three years, asking such questions as, "Are we developing you toward your career goals?" and "What's important to you? What is important to the company, and do the two meet?" This concern is an aspect of Pizza Hut's culture called "ownership"—the feeling that comes from knowing an employee can affect the company's direction through expertise, innovative ideas and hard work.

Managing a culture

□ *Culture as a hiring tool.* An important way to manage a corporate culture is to use it when hiring and rewarding employees. Most companies report that they prefer to hire someone who already fits into their culture because employees who do, tend to be happier and less likely to leave.

Cain tells about interviewing a young woman for a marketing position who seemed to have all the right credentials. Then he asked, "Tell me about any direct exposure to the restaurant business you've had and how you felt about it." She had once worked for a fast food operation and had no desire to do anything like that again; she didn't like the idea of getting her hands dirty. "I didn't hire her, because she wouldn't be comfortable going into the back rooms and kitchens of our restaurants. She wouldn't have been able to obtain the trust of our lower-level employees."

Often it is the company culture that attracts the potential employees in the first place. Beth Bonner, now an intern at Chick-fil-A, says she would like to return to Chick-fil-A after graduation from college because "it's like a big family, and its beliefs and morals are the same as mine." She should know; she's been working for Chick-fil-A since she was 15, and two scholarships from the company are helping pay for her education.

□ *Rewards are important reinforcers.* Who the company heros are—who is rewarded and promoted—reinforces a culture because these employees provide tangible role models for other employees to follow. That is why the more visible they are in company newsletters, meetings, etc., the better. "When Pizza Hut established its customer-oriented culture, I promoted only those managers who were in step with this orientation. Paper pushers and number crunchers were bypassed. Although none of the 'misfits' were fired, many left. A culture tends to be self-regulating," reports Pizza Hut CEO Steve Reinemund.

The bottom line

Defining a people-oriented company culture and then acting on it may take a large investment of time—and money. But there's a good return on that investment; turnover will decrease and customers will be better served. And, according to Brinker, "It's the easiest way to lead, and it's fun." ❑

"Those were the good ol' days" has been expressed by many people over the years as a way of reflecting upon life and business during simpler times.

As we stand here on the threshold of a new decade, there is no doubt that many of us will soon utter that same expression, because business in the '90s will certainly be more complex than business in the '80s. Everything I have observed and experienced during the past four decades has shown that we are living in a world of *progressive complexity*—socially, politically and economically.

The only simple aspect about this progressive complexity is that it is simply uncontrollable. I do not mean to imply that this is bad or a problem. *Au contraire;* that's just the way it is.

The decade of the '80s will be the "good ol' days" of the '90s because today is the yesterday of tomorrow. So what have we learned about the '80s that, according to my humble "crystal ball," may help us in the *now* part of the next decade?

A paradigm of success

To share my perspective with you, allow me to identify five dimensions or attitudes that permeated American business in the 1980s. These dimensions were typically found in large, successful companies, which enjoyed big business advantages.

These dimensions can be called a set of rules, or as Joel Barker would call them in his book *Discovering the Future*, a "paradigm."

But in addition to the paradigm that is characteristic of many large companies, there is a paradigm of success for smaller companies that mostly experienced occasional successes rather than a history of successes, that were a market underdog rather than market dominator and that experienced management disruption rather than management longevity.

Herman Cain is President/CEO of Godfather's Pizza, Inc., headquartered in Omaha, Nebraska. He delivered this speech at the MUFSO Conference in New Orleans. The conference was sponsored by Nation's Restaurant News.

A PARADIGM FOR SUCCESS IN THE '90S

by Herman Cain

If you're thinking of changing or fine-tuning your corporate culture, here are some pointers you'll want to consider.

Success paradigm

1990s	1980s
Active involvement	Passive interest
Focus on strengths	Diversity
Bottom-up management	Top-down management
Striving for successive hits	Striving for home runs
Emphasis on quality	Emphasis on quantity

My point is this: The paradigm of success for the "underdog" small company in the decade of the '80s will be the paradigm of the top dog in the '90s. Not top dog in terms of size, but top dog in terms of sustained success in a progressively complex business environment.

Godfather's Pizza has had some successes in its relatively short 16-year existence. And it has had more than its share of problems and disruptions. Having successfully ridden the growth of the pizza segment from 1973 to 1983, Godfather's Pizza went into a tailspin from 1983 to 1986 that almost killed the company. When I became president of Godfather's Pizza on April Fool's Day, 1986, the company literally had one foot in the grave and one foot on a banana peel.

In the last 3½ years, my management team and I have turned the company around twice. The first time was from 1986 to 1987, following the acquisition of Godfather's Pizza by The Pillsbury Company; the second time was within the last year following our purchase of Godfather's Pizza from The Pillsbury Company. In both instances we succeeded with a strategy based on the paradigm I believe will be the dominant paradigm of successful companies in the '90s.

1. Become actively involved

The decade of the '90s will require successful restaurateurs to be more active and less passive about all factors that affect their businesses. External factors, such as the economy, government regulations and social issues, can no longer be left for the "other guy" to take care of. Two years ago I stood before a MUFSO audience and reinforced the message of the National Restaurant Association, the Coalition to Save Jobs and other leaders in our industry about the potential impact of then-pending minimum-wage legislation. I encouraged you to get active and let your opinions be heard. Many of you responded, which has helped to minimize the potentially devastating effect of an ill-conceived federal action. This kind of active involvement, no matter how small, is something we must continue with our legislators, or they will "have their way with us" on mandated benefits, mandatory parental leave, mandatory labeling, elimination of TJTC, elimination of the business-meal deduction, and another attempt at Section 89—The Movie!

If you have not personally met and shared your views with your senators and key congressmen on these issues, you have taken a passive attitude toward factors that can devastate your business and our industry; and if you maintain that attitude during the decade of the '90s, you'll be saying "the '80s were the good ol' days when I used to make money," because you will be out of business before the sun rises on the year 2000.

As business people in one of America's most opportunistic industries, we can no longer remain passive about the three biggest threats to our entire economic system—the national deficit, drugs and crime. I'm not suggesting that we have to become sign-carrying crusaders, but we must all actively address issues that threaten our ability to pursue our dreams and aspirations.

2. Focus on your strengths

The second dimension of the success paradigm of the '90s is to focus on what we can do with what we have, when we can and where we can. When I became president of Godfather's Pizza, one of my first actions was to listen to the management, the operations people and the franchisees about their views on how we got into the condition we were in and how we could get out. The message that came through loud and clear was that Godfather's Pizza had been trying to do too much, with too little, too fast. It had tried to out-muscle the larger competitors at their game, on their battlefield. But once we started to focus on our strengths and focus on niches in the segment where we could win, we were on our way to recovery.

Diversity is for the big players; they can afford the mistakes. They can tolerate the bureaucracy that creeps into an organization when you are trying to be the biggest. Focus has become a part of the culture at Godfather's Pizza; it influences our

decisionmaking about strategy, tactics, operations, marketing, organization and standards.

Being the biggest competitor in the pizza segment of our industry is not one of our objectives; we simply aspire to the best. Our objective is not to have thousands of outlets; our objective is to have a few hundred quality pizza restaurants. Our objective is not to achieve compound earnings per share, but rather to achieve sustained value-added profitability for each individual unit. Our objective isn't even to be the fastest-delivered pizza in the segment, but rather to be the best-tasting pizza when it gets there. Our objective is not to have a large organization; our objective is to have a productive team of people. Our objective is not to have books written about Godfather's; our objective is to have fun!

3. Implement a bottom-up management philosophy

Prior to coming to Godfather's Pizza, I had worked for three very large companies—The Coca-Cola Company, The Pillsbury Company and Burger King Corporation. Most of my business experience had been in an environment where size, diversity and top-down management were big components of the paradigm.

On my way to Omaha for my first day at Godfather's Pizza as its new president, I flew from Philadelphia to Dallas for the NCAA final four basketball tournament. When I got on the plane in Philly and as I put my carry-on bag in the overhead compartment, I found a book that must have been left by a previous passenger, since the stewardesses said it didn't belong to them. The book was entitled *Marketing Warfare* by Al Ries and Jack Trout.

Wondering what I was going to do to turn Godfather's around at the time, the title seemed interesting, so I started to read. I was so intrigued by the concepts that I bought my own copy as soon as I got to Dallas and finished reading it before I got to Omaha. And one of the principles of *Marketing Warfare* is for management to go to the battlefront to find out firsthand what's happening in your business.

Fortunately, *Marketing Warfare* caused me to re-think the paradigm I was used to before starting at Godfather's Pizza. I'm convinced that the big-company paradigm nearly killed Godfather's Pizza in the early '80s and would have sealed our coffin if I had not considered a new paradigm as well as listened to my company's constituencies. Al's bottom-up marketing philosophy is equally applicable to how we manage our business.

Bottom-up management is not turning the asylum over to the inmates, but rather, really listening to the people in your organization closest to your customers, and then incorporating their ideas into your business plans where appropriate.

Many companies in the '80s proclaimed a bottom-up management style, but not as many actually achieved bottom-up management or even understood how it really works. Bottom-up management is not turning the asylum over to the inmates, but rather, really listening to the people in your organization closest to your customers, and then incorporating their ideas into your business plans where appropriate. Bottom-up management also promotes greater accountability and a sense of ownership throughout the company.

4. Strive for successive hits, not home runs

Lastly, when Godfather's Pizza was part of the Pillsbury portfolio, we were charged with helping to achieve Pillsbury's aggressive growth objectives. This caused us to continually look for "home-run" strategies and tactics, since we were competing for capital against the other larger and healthier subsidiaries. Successive "hits" simply would not grow our profits fast enough for their needs. As a result, Pillsbury decided that Godfather's Pizza did not fit its strategic future, so we decided to take it off their hands; and I'm glad we did. One year ago this month, we consummated our purchase of Godfather's Pizza. In this past year we have put together a string of "hits" that have added up to more sales, more profits, more stability and more fun!

5. Emphasize quality, not quantity

While our three largest competitors were increasing their media clout last year, we decreased our media expenditures for TV advertising because, as a wise man once said, "Never get caught in the middle of an elephant fight." And while our largest competitors were introducing new products, Godfather's Pizza was implementing new steps to help make our existing products more consistent. While our larger competitors were trying to deliver their product faster, we were trying to deliver our product hotter. While our competitors were building hundreds of new units, we were building a stronger infrastructure. While our larger competitors were trying to staff up for all those new restaurants they were building, we were working on keeping the staff we already had in our 525 units. Successive hits do not make headlines, they just make money!

The next decade is now

Now is the time for a new paradigm—an active paradigm of focus, quality, bottom-up management and the achievement of successive hits. The decade of the '80s for our industry will be remembered as a decade of shakeouts. The list of industry casualties and the walking wounded has gotten increasingly longer even within just the last 12 months. I can't speak for all of you, but as for me and Godfather's Pizza, we plan to still be standing strong when the dust settles because, as my grandmother used to tell me:

If you can't be a pine on top of a hill, be a shrub in the valley—but be the best little shrub.

If you can't be a goldfish, be a bass—but be the liveliest bass in the lake.

If you can't be a highway, be a trail.

If you can't be a sun, be a star.

It's not the size that determines who wins or loses, nor who stops short or who goes far, but being the *best* whatever you are. ❑

BOTTOM-UP MARKETING

by Al Ries and Jack Trout

After years of strategic work for some of America's largest companies, we have come to a revolutionary conclusion: Strategy should be developed from the bottom up, not from the top down. In other words, strategy should be developed from a deep knowledge and involvement in the actual tactics of the business itself.

Tactics should dictate strategies. That is, the communications tactic should dictate the marketing strategy.

Most marketing people believe the reverse. The accepted wisdom is that the grand strategy of the organization should be set first; then the tactics can follow.

Reversing the process

When you reverse the process, you can sometimes make important discoveries.

The research people at Vicks came up with a new liquid cold remedy which cleared up scratchy throats and running eyes, but unfortunately also put you to sleep—which was a problem if you wanted to go to work or drive a car.

Instead of writing off the research, someone at Vicks came up with a brilliant idea. If the product puts you to sleep, let's position it as a nighttime cold remedy. In other words, "the first nighttime cold remedy" is an advertising tactic that will work because it's based on the proven principle of being first.

And it did. NyQuil went on to become the most successful new product in Vick's history. NyQuil is now the Number 1 cold remedy.

The tactic (the first nighttime cold remedy) dictates the strategy (introduce a major new cold remedy product called "NyQuil").

A tactic must have a *competitive* angle in order to have a chance of success. This does not necessarily mean a better product or service, but rather there must be an element of differentness. It could be smaller, bigger, lighter, heavier, cheaper, more expensive. It could be a different distribution system.

Furthermore, the tactic must be competitive in the total marketing arena, not just competitive in relation to one or two other products or services.

For example, Volkswagen's decision in the late fifties to introduce "the first" small car was an excellent competitive tactic. At the time General Motors was manufacturing nothing but big, heavily chromed patrol boats. The Beetle was a runaway success.

The VW Beetle was not the first small car on the market, of course. But it was the first car to occupy the "small" position in the mind. It made a virtue out of its size, while the others apologized for their small size by talking about "roominess."

Second, a tactic must have a competitive *mental* angle. In other words, the battle takes place in the mind of the prospect.

Competitors that do not exist in the

Al Ries and Jack Trout are well-known marketing strategists who have written Marketing Positioning: The Battle for Your Mind *and* Marketing Warfare, *published by McGraw-Hill Book Company in New York City. This excerpt is from their 1989 book* Bottom-Up Marketing.

mind can be ignored. There were plenty of pizza places with home delivery operations when Tom Monaghan launched Domino's. But nobody owned the home delivery position in the mind.

Your tactic should be competitor oriented

Not too long ago Delta decided to offer a "triple-mileage" bonus to members (and new members) of its frequent flier club.

It seemed like a good idea, bound to attract a lot of new business for Delta. It did, but the new program also attracted American, United, Pan Am, TWA and Eastern. In fact, all of Delta's competitors jumped in and offered the same bonus deal. Delta didn't have enough time to establish the concept before the competition moved in.

When Burger King launched its "broiling, not frying" campaign, McDonald's didn't rip out all the fryers in its restaurants and put in broilers. It would have been enormously expensive to do so.

"Broiling, not frying" is a good competitor-oriented tactic because it cannot be copied quickly. Nor can it be copied economically.

When Michelin attacked the U.S. market with the radial-ply tire, it put Goodyear and Firestone on the defensive for many years to come. Even if the big wheels in the U.S. tire industry were willing to invest the money in radial-tire facilities, it would take years to get their production lines running.

The only tactic worth considering is the tactic that puts the knife into the competition. Tactics that just offer the customer some incentive to purchase also offer the competition some incentive to copy.

Yet most marketing programs involve coupons, rebates, in-store promotions, and a variety of deals. The ones that don't work cost you money. The ones that do work buy you the sincerest form of flattery; your competitors copy you.

You can't win by pleasing the consumer. Forget the deals. What would please the consumer most is your giving the product away.

On the other hand, a tactic that displeases one or more of your competitors is bound to be good for your business.

A tactic must have a competitive mental angle. In other words, the battle takes place in the mind of the prospect.

On the other hand, there are competitors who enjoy strong perceptions in the mind that do not agree with reality. It's the mental perception that must be considered in the selection of a tactic, not the reality.

A competitive mental *angle* is the point in the mind that allows your marketing program to work effectively. That's the point you must leverage to achieve results.

But a tactic is not enough. To complete the process, you need to turn the tactic into a strategy. (If the tactic is a nail, the strategy is a hammer.) You need both to establish a position in the mind.

What's a strategy?

In our definition, a strategy is not a goal. It's a *coherent marketing direction.*

A strategy is *coherent* in the sense that it is focused on the tactic that has been selected. Volkswagen had a big tactical success with the small car, but it failed to elevate this idea to a coherent strategy. It forgot about "small" and instead elected to bring into the U.S. market a family of big, fast and expensive Volkswagens. But these tactics had already been preempted by other car manufacturers. This opened the way for the Japanese to take over the small-car idea.

Second, a strategy encompasses coherent *marketing* activities. Product, pricing, distribution, advertising—all the activities that make up the marketing mix must be coherently focused on the tactic.

(Think of the tactic as a particular wavelength of light and the strategy as a laser tuned to that wavelength. You need both to penetrate the mind of the prospect.)

Finally, a strategy is a coherent marketing *direction.* Once the strategy is established, the direction shouldn't be changed.

The purpose of the strategy is to mobilize your resources to preempt that tactic. By committing all your resources to one strategic direction you maximize the exploitation of the tactic without the limitation that the existence of a goal implies.

Tactic versus strategy

A tactic is a singular idea or angle. A strategy has many elements, all of which are focused on the tactic.

A tactic is an angle that is unique or different. A strategy may well be mundane.

A tactic is independent of time and relatively constant. A strategy unfolds over a period of time. A sale is a tactic used at one time or another by most of the retailers in America. A store that has a sale every day is a discount store, which is a strategy.

A tactic is a competitive advantage. A strategy is designed to maintain that competitive advantage.

A tactic is external to the product, service, or company. It may not even be a product the company makes. A strategy is internal. (Strategies often require a great deal of internal reorganization.)

A tactic is communications-oriented. A strategy is product, service or company-oriented.

The principle of bottom-up marketing is simple: You work from the specific to the general, from the short term to the long term.

Note, too, the singular implication

of bottom-up marketing. Find a tactic that will work and then build it into a strategy. Find one tactic—not two or three or four.

Building your strategy

Then it's time to turn your tactic into a strategy.

The Little Caesar's pizza takeout chain developed a two-for-one sale. This was the tactic—the competitive mental angle—it selected to fight Pizza Hut, Godfather's Pizza and the other chains.

Normally sales are limited in time. They may last a day, a week, a month. They are used to stimulate trial. Give prospects a good deal to try the product and maybe some of them will become long-term customers at regular prices.

That's normally the fate of most tactics. They come and they go like the tide.

Little Caesar's, however, turned the tactic into a strategy by having a continuous two-for-one promotion.

The key concept is "continuous." To turn a tactic into a strategy, you must add the ingredient of time. You must find a way to incorporate the tactic into the fabric of organization and make it the company's key strategic concept, or reason for being.

"Two-for-one," the Little Caesar's slogan, became a coherent marketing direction. Little Caesar's became one of the most successful pizza chains with this simple strategy.

Most of the other pizza chains have been forced to add a two-for-one deal to their menus. These competitive responses, however, have been at the tactical level only. Pizza Hut, for example, can't afford to turn the chain into a two-for-one operation. It wouldn't be able to pay for its prime locations, its fancy seating, the salaries of waiters and waitresses, etc.

Little Caesar's, of course, is a take-out-only chain. To make the two-for-one concept work over an extended period of time, it has to keep its focus on low-cost locations and limited service.

The other pizza chain that successfully turned a tactic into a strategy is Domino's. The tactic that drives the Domino's business is home delivery pizza in 30 minutes or less.

The essence of turning a tactic into a strategy is in making changes in the company or the product, not in trying to change the environment.

The traditional top-down process asks the questions in the "logical" order: (1) what food items do we want to sell and (2) how long would it take to deliver them?

The bottom-up process is just the reverse. Focusing on a tactic turns the planning process upside down. What food items can we sell to fit into the 30-minute delivery cycle?

To meet the guarantee, Domino's reduced the number of pizza sizes to two and cut the number of toppings to six. They sell just one beverage, a cola.

The essence of turning a tactic into a strategy is in making changes in the company or the product, not in trying to change the environment.

The tactic is your competitive angle. Be it "two-for-one" or "30-minute delivery" or whatever. When you turn your tactic into a strategy, the challenge is to maintain that single-minded clarity over an extended period of time. It's not easy. The pressure is to modify the strategy to incorporate other products or ideas. That weakens and dilutes the power of a coherent marketing direction.

A coherent marketing direction

When you start with a single tactic and turn it into a strategy, you restrict

Dealing with perceptions

Changing perceptions is the *modus operandi* of the traditional top-down marketer. Therein lies one of the major differences between top-down and bottom-up thinking. Dealing with perceptions is the hallmark of a bottom-up marketer.

You deal with perceptions by making changes in the company or its products, not by trying to make changes in the environment. When the boat is leaking, you don't try to drain the lake. You try to fix the boat.

Company people often get their priorities reversed. They believe they have to fall in love with their products or services or names before they can go out and market them: "If I know in my heart that we have a superior product, then I'm certain to find the right words and pictures and strategies to communicate those beliefs to others."

Falling in love with yourself is a dangerous illusion. It muddles your mind and clouds your thinking.

What you're trying to do in bottom-up marketing is not to change minds, but to take advantage of the perceptions that already are there.

To find an opening, you have to seize on a specific and then generalize it. In fact, you have to over-generalize it.

Marketing is a game where the simple idea beats the complex one, where the single idea beats the multiple thrusts.

To see why this is so, go back to the mind of the prospect. How are you going to get inside a mind? By taking one message and endlessly repeating it in different forms? Or by preparing many different messages?

When one message conflicts with another, you compete with yourself. You confuse the prospect. Who are you and what do you stand for? Prospects strongly resist giving any one product or company two different positions.

If you're in charge of a brand, you need the courage to say "no" to the proposition that you can make more money by "extending the line, using your well-known brand name."

yourself to a single marketing move. The process results in a coherent marketing direction.

When you work from the bottom up, you are certain to wind up with one tactic and a single strategy. In other words, you force yourself to concentrate on a single, powerful marketing move.

This is the most important consequence of a bottom-up approach. It's the essence of good marketing thinking.

An emphasis on change

The emphasis in bottom-up marketing is change in the organization. Without change in the product or service or price or distribution, any strategy is likely to be a meaningless string of words.

The emphasis in traditionally top-down marketing is change in the environment. "In order to achieve our goal of a 10 percent increase in market share, we have to increase brand preference for our product," says the traditional thinker.

In other words, *you* don't change; you try to change the marketplace. This is top-down thinking at its very worst.

Too many managers think they can run a marketing operation from an office. "A desk," wrote novelist John LeCarre, "is a dangerous place from which to watch the world."

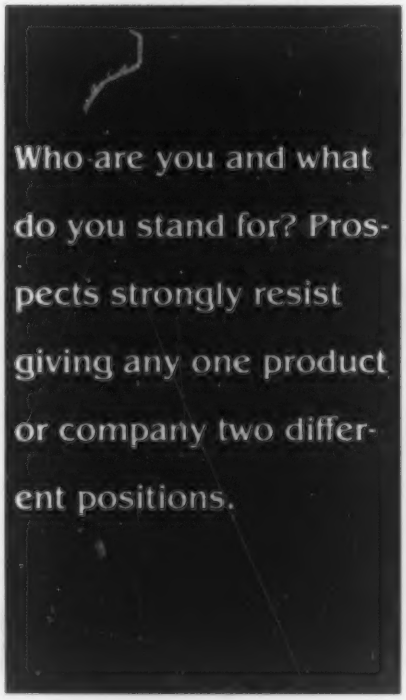
Chief executives tend to lose touch

The bigger the company, the more likely it is that the chief executive has lost touch with the front lines. This might be the single most important factor limiting the growth of a corporation.

All other factors favor size. Marketing is war, and the first principle of warfare is the principle of force. The larger army, the larger company, has the advantage.

But the larger company gives up some of that advantage if it cannot keep itself focused on the marketing battle that takes place in the mind of the customer.

If you're a busy CEO, how do you gather objective information on what is really happening? How do you get around the propensity of middle management to tell you what they think you want to hear?


Who are you and what do you stand for? Prospects strongly resist giving any one product or company two different positions.

How do you get the bad news as well as the good?

One possibility is "going in disguise" or unannounced. Instead of talking things over, go out and see for yourself. As General Secretary Gorbachev told President Reagan on the occasion of the President's first trip to the Soviet Union, "It is better to see once than to hear a hundred times."

The sales force, if you have one, is a critical element in the equation. The trick is how to get a good honest evaluation of competition out of them. The best thing you can do is to praise honest information. Once the word gets around that a CEO prizes honesty and reality, a lot of good information might be forthcoming.

"The devil is in the details"

How should a CEO operate? Andrews Grove of Intel said it best: "There's a tendency at the senior and middle-manager level to be too big-picturish and too superficial. There is a phrase, 'The devil is in the details.' One can formulate brilliant global strategies whose executability is zero. It's only through familiarity with details—the capability of the individuals who have to execute, the marketplace, the timing—that a good strategy emerges."

Grove sums up his approach in one sentence: "I like to work up from details to big pictures."

Amen. This is the essence of *Bottom-Up Marketing*.

As you may have noticed, Intel has been on a roll, while General Motors has been going downhill rapidly.

It was in a seedy roadside motel near Washington DC that Kemmons Wilson got the concept for Holiday Inns. The place not only charged $6 for Wilson and his wife, but $2 for each of their five children as well. Highway robbery, he thought.

Wilson returned to Memphis determined to build a family motel where children would stay free. The next year he opened the first Holiday Inn.

You don't have to take a trip to find an angle. Jim Dyer invented the highly successful *Pocket Organizer* based on his own personal way of organizing his notes.

Richard James accidentally dropped a tension spring on the floor and it "walked." Forty-three years later, the Slinky is still a favorite toy for children and adults.

The devil is in the details. That's also where you'll find the tactic to turn into the brilliant strategy.

No easy way

Whether you are an individual entrepreneur or a corporate manager, whether you work for a big company or a small one, whether you're at the top or the bottom of the organization or somewhere in between, there's no easy way to practice bottom-up marketing.

There is, however, an enormous opportunity if you are willing to make the struggle. So few are doing it.

Most managers are up there looking down, armed with their corporate mission statements and five-year plans.

They are easy marks for bottom-up thinkers.

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SLOGANS

"FINDING A PHRASE CUSTOMERS CAN'T GET OUT OF THEIR MINDS"

Slogans do get customers! Some national advertisers have always used slogans. A popular current one is "The Pepsi Generation." In the automotive field, we have all heard the slogan by Toyota: "Oh, what a feeling!" or the one for Acura: "Fly without reservations." And in the restaurant business, "You deserve a break today," is virtually synonymous with McDonald's.

Why use a slogan?

An advertising slogan quickly identifies your place of business—for prospective and actual customers. It successfully sets your restaurant business apart from your competitors.

Not just any slogan will do, however. A slogan needs to be catchy and easily remembered. Short slogans are best. Also, some of the most memorable slogans are humorous, but usually these are the hardest to create.

Make sure the slogan you select for your operation is one that can be used in all your marketing efforts. And stick to only one slogan (rather than two or three) to avoid confusing your customers.

Put into your slogan something the public will like to learn. Highlight some well-defined aspect of your business, but don't promise more than can be fulfilled.

Use it everywhere

Once a slogan is adopted, exploit it on every possible occasion. Repeat it over and over. Then repeat it again! Put your slogan on your sign, in newspaper display advertising, on letterheads and invoices, and on rubber stamps, too. And don't forget to put it on your business cards.

Try a slogan contest

If you have trouble creating a really good slogan, get some help—and at the same time a lot of good advertising—by sponsoring a slogan contest. Advertise that you are looking for a slogan to use in your business and that you want the public to help you find one. Offer a decent first prize and a few minor ones for honorable mention.

Make sure you ask that all submissions be mailed. If you let contestants come to you in person, you'll not only waste time, but also many people won't bother to come in—and so you will have fewer slogans from which to choose.

You need a high volume of entries to find the proper slogan. And having a large volume also gives you a longer list of names for your direct-mail advertising campaigns.

When the time limit expires, you are ready to select the winner! Let your employees help you, and it will boost morale.

Stay away from such trite slogans as: "We aim to please" "Always a bargain" and "We are the very best."

It is possible that you won't find a winner—that is, none of the submissions may seem "just right" to you. In this case, no doubt you can take one of the better ones and change it slightly. By doing this, you will have a slogan that is ideal. If this happens, the prize goes to the writer of the "almost-right" slogan.

After the contest, it is a good idea to send each of the contestants a short note, thanking them for submitting a slogan.

Slogan samples

Here are some effective slogans being used by restaurant owners.

- "Our fish is cooked your favorite way"—Newport Bay Restaurant; Portland, Oregon
- "We cook like mama does in Italy"—2 Guys From Italy; Los Angeles, California
- "Makin' it great!"—Pizza Hut
- "A celebration of food"—Chi Chi's
- "Pizza Pizza"—Little Caesar's
- "Complete breakfast anytime"—Around the Clock; Akron, Ohio
- "Pasta with a new twist"—Pasta Lovers' Trattorias; New York, New York
- "Make a run for the border"—Taco Bell
- "Foods of the Southwest"—Santa Fe East; Alexandria, Virginia
- "We do chicken right"—Kentucky Fried Chicken
- "We deliver"—Domino's Pizza

Slogan discount

Should you elect to sponsor a slogan contest, use the contest as an excellent reason to offer a special discount. Advertise it as a "slogan discount." This is so startingly different that people will pay much more attention to the entire advertising message.

Then, once a slogan is selected and put into use, offer another promotion to celebrate. Use "we have our slogan" as the theme.

A few "do nots"

Some restaurant owners think that using just one word, such as SERVICE, will do the job. Although advertising your excellent service is fine, just using the word does not begin to accomplish what a slogan does. The single word "service" has no "remembrance-ability" for individual prospective customers—whereas a good slogan makes people recall the advertiser easily.

Other restaurant owners like to think they have several good slogans, so they rotate them. This merely confuses the public, who then dismiss all the slogans.

And then there are a few restaurateurs who use their slogan in only one place—the *Yellow Pages* or newspaper. This is not smart advertising. To be remembered, a slogan belongs on all printed advertising and office forms.

Powerful advertising

A most powerful advertising force is repetition. Put this powerful force to work for your business. Use your slogan!

—Alan W. Farrant

BUSINESS CARDS ARE GOOD BUSINESS

There is nothing small about the results you get when you hand out business cards. Your business card is an advertising medium that is low in cost, but very high in effectiveness. And it can boost the morale and cohesiveness of your staff.

by Alan W. Farrant

When you consider advertising media for your restaurant, you may be overlooking a medium that is relatively low in cost and high in effectiveness. It puts your message across to prospective customers quickly, and it works for years to come at no additional cost. This medium is the business card!

Compared with other printed advertising, a business card has few words on it. But these few tell a complete story—informing who you are, what you are, where you are and how to phone you.

Spread them around

Scatter your business cards far and wide; be overly generous in handing them out, because you never know when one card can bring in many dollars' worth of business. Leave them on desks and counters. Each time you meet someone, hand out your card.

Mail your restaurant business cards to a select list of current and former customers as a reminder that you are still in business. Encourage each employee to hand out the cards generously. If the card has the employee's name on it, so much the better. It lends prestige to your business and enables the customer to deal with the same person when coming to your restaurant or phoning in an order.

Employees will appreciate the cards, too, because cards help to make them feel like valued members of the team.

Here is a tip about presenting your card. Too often business owners carry business cards in their wallets. Then they have to take out the wallet, open it and take out a card. This wastes time and can be awkward. Instead, carry a few cards in your shirt or coat pocket. Make sure the cards are clean. All you have to do is reach for the card, smile and hand it to someone. If you give out some literature, staple your card to it. Otherwise it might become lost.

After you have handed a card to someone, politely suggest that he or she hold onto it or pass it along to a friend. Even if you have given a card on a previous visit, don't hesitate to offer another one. It may have been misplaced; and giving another will help to convince that it should be kept.

It is true that a lot of the cards you give out will be wasted—people will lose or throw them away. But there will be many other prospective customers who will put your business card in their billfold or purse or file it in a special business-card file on their desks. Then when they need your restaurant and services, they know right where to go. They will look for your card before they consult the *Yellow Pages*, because it is handier and more familiar.

Make sure they represent you well

Business cards are very personal and make a statement about you and your business. You should, therefore, design a card that is in good taste and one that represents you in the way you want to be represented. Budget enough money to provide a card that is well printed on good-quality paper. Colored stock can be distinctive, as can various colors of ink on white stock. Don't hesitate to ask for professional help in designing the card.

Here is a "no-no." Do not opt for a business card that is an unusual size. Although an extra-large one will attract favorable attention when handed to someone, it will not fit properly into a card-file. Many people, especially business owners, keep business cards they receive in a file. When a large one is placed in it, the card does not fit—and so it is usually thrown out.

Key information: telephone number and address

Because your telephone number is one of the most important items on the card, consider putting the number in a box or setting it off to the side.

On your card, too, should be your address and restaurant hours. When you print your hours, you extend an invitation to have your place of business visited. And that is what you want and need—traffic at your location.

Most forms of advertising are good. One of the very best is your business card. Spread it around! ❑

Alan Farrant is a business writer who lives in Pasadena, California.

COMING TO A TRUCE

WAYS TO BRIDGE THE GAP BETWEEN THE FRONT AND THE BACK OF THE HOUSE

by David Slater

At a thriving Washington DC restaurant, the kitchen and floor managers have finally achieved what they consider to be a working solution to the conflicts between their respective areas: They no longer talk to one another. "I finally came to the conclusion that cutting off communications was the only thing that worked," says the kitchen manager.

The "kitchen-door-as-a-line-of-demarcation" situation is not an entirely uncommon one. When food and beverage director Kurt Mathias arrived at Chicago's East Bank Club nine months ago, the kitchen and floor workers "were like the Hatfields and McCoys. They didn't talk to one another, and they were doing stupid, childish things to get back at each other." Instead of waving a white flag, however, the East Bank Club's management team instituted a cross-training program and other exercises geared toward closing the gap that often exists between the front and back-of-the-house employees. Mathias admits that the change hasn't been like night and day, "but it has helped a lot," he says. "And it proves that there are steps you can take to improve relations between the front and the back of the house. The keys are improving communications and making employees feel like members of a team."

"Communications" and "teamwork" are the two themes that operators in search of staff unity consistently drive home. As Ype Hengst, vice president of operations at The Silver Diner in Rockville, Maryland, asserts, "Good communication between the front and the back of the house is essential. And to achieve that, you have to take away the perception of the front of the house being an entity and the back of the house being an entity. One of the first words we use is 'team'—and we keep repeating it because we only want team players working for us."

Bolstering the esteem of the weaker side

Before staff members can think of themselves as members of a team with a common goal, says Tom McCabe, owner of Tom Foolery's in Westborough, Massachusetts, they have to be comfortable with their roles on that team. But too often, says McCabe, kitchen workers aren't allowed to share in the pleasure of seeing customers' smiles or hearing their compliments. Accordingly, McCabe has made it his top priority to raise the status of the kitchen workers to equal that of the servers.

McCabe considers a restaurant to be like a Swiss watch, in which one malfunctioning gear can bring the entire mechanism to a halt. "The kitchen staff is a significant gear on that watch, and we constantly work to let them know that we think of them as being special," says McCabe. "In fact, we've had a policy for some time that we refer to the back of the house as 'the heart of the house,' because without the kitchen beating properly, the rest of the operation can't continue to function."

One of the biggest boosts to the kitchen staff's collective self-esteem, however, came with the formation of the Amazing Culinary Team, or A.C.T. McCabe and his managers conceived the idea of A.C.T. in 1986, at the height of the labor shortage in Massachusetts. To highlight the kitchen's contributions to the operation, a logo and slogan ("Amazing Culinary Team—a tough act to follow") were developed and placed on hats, tote

David Slater is a communications specialist at the National Restaurant Association.

Eric Westbrook

bags, golf shirts and baseball-style satin jackets.

The kitchen crew's reaction to A.C.T. was positive from the start. "We've always had a good atmosphere in the kitchen," says general manager Tom Lyons. "But the A.C.T. was a finishing touch. After we initiated the program, the kitchen really began to pull together—they developed more of a team spirit."

The Amazing Culinary Team not only changed the way the kitchen staff thought of themselves. It also changed the way others thought of them. "Do-ers" profiles on the staff message board, for example, let other employees learn why A.C.T. members really are "a tough act to follow." These profiles list work accomplishments, hobbies and interests, such as last movie seen or last book read, to help the workers get to know each other better. The A.C.T. concept has also become a marketing tool, says McCabe. "In ads we talk about A.C.T to tell the public that we consider our kitchen staff to be extraordinary. The ads give the staff recognition, and they tell anyone looking for a job that our kitchen team has something special to offer."

McCabe is planning to initiate a "Brunch Assault Team" to recognize the employees who work the grueling Sunday brunch shift, one of the management's hardest shifts to staff. According to McCabe's plan, workers who have been doing a good job on the less-than-desirable shift would be rewarded with B.A.T. uniforms, including hats with stenciled logos and captain's bars to indicate longevity of service on the team.

McCabe has been given several indications that his A.C.T. concept is successful at raising morale and helping the entire restaurant staff think of themselves and their co-workers as skilled members of a team rather than simply names on a payroll. At a free Christmas dinner that the restaurant sponsored for the community last year, for example, the staff quickly filled all unpaid work slots, indicating that they received a personal satisfaction from their job that was at least as important as the financial rewards. And after the dinner, says McCabe, when the diners applauded the

service staff, the waitstaff showed that the meal was truly a team effort by inviting the kitchen workers out so they could also take their bows.

Whether the recognition comes in the form of applause from customers or in the form of A.C.T. caps, McCabe says he has come to realize that "recognition goes much farther than money in making people appreciate their job and each other."

Thinking problems out

Ken Koock, who owns four Mexican restaurants in Austin, Texas, is among the group of operators who consider a lack of communication to be a main source of tension between the front and back of the house. "Attitude is key. A big problem can grow from a little incident, such as when one person is in a bad mood and doesn't communicate well."

At his Green Pastures and three Tres Amigos, which employ a total of 180 employees, Koock takes several approaches to making sure that these small communications problems don't grow into big divisions between kitchen and floor workers. The first weapon is a simple managers' log, combined with full staff meetings every two weeks. Each day, managers note any personality problems that arise between workers. At the twice-monthly meetings, these problems are brought up, and kitchen and service personnel are encouraged to "discuss problems that mutually affect their performance. We've been quite pleased with their ability to communicate," adds Koock, "and we've found that these meetings, held on a regular basis, can make sure tensions don't build up too much."

In addition to full staff meetings every other week, the management of The Silver Diner in Rockville, Maryland, also meets with an "employee council" once a month. The council, because it consists of four or five employees selected as spokespersons by both the kitchen and service staff, reinforces the image of the staff as a team with shared goals and concerns.

The council discusses problems the staff has with each other, with the managers or with the way the restaurant is run. "We tell them not to hold back—and they don't," says Hengst. "But as soon as possible, we respond by posting a list of employee concerns, what we can do immediately about them and what we can do next. It's important that they see we take their concerns seriously if they are to understand we are all working toward the same goal."

Getting the kitchen and service staff talking

Opening communications between the kitchen and service staff is difficult enough if, as is often the case, the two groups consist of individuals who wouldn't normally interact. The problem recently has been intensified because of the increasing number of foreign-born kitchen employees nationwide who do not speak English. At best, these employees feel an unavoidable isolation from their English-speaking co-workers and management. At worst, as in the case of Hispanic workers who are addressed with a generic "Hey, amigo" or "Hey, hombre" by (sometimes unwittingly) insensitive co-workers, they are made to feel like mere functionaries instead of the key players they often are.

To get around the language problem, some operators use interpreters at staff meetings or sponsor in-house language classes. In some cases, however, the simple—but effective—technique of asking everyone to use a name tag can at least be a step in the right direction.

At the East Bank Club, for example, relations between servers and kitchen workers changed significantly when Hispanic kitchen workers were provided with name tags. According to food and beverage director Mathias, "Now, instead of saying, 'Hey, hombre, can you get me this?' a server can say, 'Luciano, please get me a side of salad dressing.' It sounds simple, but now everyone knows who everyone else is, and the workers have really responded to it because they are given the sense of dignity and individuality they deserve."

Mathias also believes that once the lines of communications are opened in a restaurant, activities that involve the interaction of the entire staff, such as group tastings or parties, can go far in reinforcing a team spirit and restaurant culture. At the East Bank

A cross-evaluation system is one way to create an awareness of and an appreciation for what other people do in the restaurant, says Bill Main of The Shorebird.

PEER EVALUATION

Employee Name: _____ Date: ___/___/___ Return by: ___/___/___

Please answer the following questions to the best of your ability. A 5 is the HIGHEST score and a 1 is the LOWEST score. Return this to the Director of Personnel by the date indicated above.

1.	How would you rate this person's willingness to share the work load?	1	2	3	4	5
2.	How willing is this person to fill in for you?	1	2	3	4	5
3.	How friendly and pleasant is the person to work with?	1	2	3	4	5
4.	How much do you trust this person?	1	2	3	4	5
5.	How professional is this person?	1	2	3	4	5
6.	Does this person ask for/receive special treatment?	1	2	3	4	5
7.	How would you rate this person's productivity?	1	2	3	4	5
8.	Does this person engage in horseplay?	1	2	3	4	5
9.	Does this person adhere to company rules?	1	2	3	4	5
10.	How much do you like working with this person?	1	2	3	4	5

In what one, single area should this person improve to increase his/her overall performance?

_____

If you were to describe this person with one word, what would it be? _____

Comments: _____

_____

_____

_____ points ÷ 10 = _____ Total Score

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To highlight the kitchen's contributions to the operation, Tom Foolery's developed this logo and slogan—Amazing Culinary Team: A tough act to follow.

Club's company picnic, for example, a tug-of-war and softball game between servers and kitchen staff, as insignificant as they sound, helped bring together the two groups. Not only do such team activities channel tensions into the competitive sports arena, but they also bring a sense of fun to what can sometimes be a hurried and clipped interaction. "Ninety percent of the challenge," says Mathias, "is getting front and back-of-the-house people to know each other."

Stepping into each other's shoes

Because a lack of understanding of the other group's jobs is commonly cited as one of the main sources of tension between kitchen and service employees, cross-training, which places workers in their co-workers' shoes, is an effective technique for increasing sensitivity among employees.

At Koock's restaurants, floor supervisors, who function as "super waiters," are rotated into the kitchen for four hours each week to do prep work and assist the cooks. The result is an increased ability to improvise on the floor and to pitch in when needed.

Koock also insists that his upper-management staff be kitchen-trained as well as service-trained. "In the past, we found that managers who had worked only in service areas did not have the objectivity or overview that is needed to make the restaurant move smoothly. Now, the back-of-the-house workers know that they will get the support they need because the management has been kitchen-trained," says Koock.

Cross-training has also proven to be successful at the East Bank Club, where, says Mathias, there used to be a "serious lack of respect for front-of-the-house managers, and a total lack of communication between service and kitchen employees." A four-month-old policy now mandates that all servers, during their training program, spend at least one day on the line as cooks. The program, Mathias adds, has had dual rewards. "The servers begin to understand what a cook goes through when he has to serve 1,200 people in a day—now they know why it is sometimes necessary to send an item out first because of circumstances in the kitchen. In addition, the cross-training has helped the kitchen people get to know the trainee. This has helped reduce that natural animosity that otherwise exists."

One of Mathias's only regrets is that the minimal turnover in his kitchen staff has prohibited him from instituting a policy of rotating new kitchen workers through the front of the house.

At Jose Bubushka's (three units in Michigan), director of operations Bill Linkfield brings kitchen workers out on the floor whenever possible. This technique has several benefits. For example, "food runners turn into assistants on both ends, in the kitchen and on the floor. Dishwashers who work some shifts as busboys get an appreciation of what it's like out on the floor. And the same goes for some of our cooks who double as waiters on the weekends."

This cross-utilization of workers breaks up the monotony for the rotating workers and, says Linkfield, helps with his scheduling "because a prep worker can come out to work on the line for an hour or a busboy can come back and unload a dishtub during a rush, I need one less dishwasher." More important, however, cross-training diminishes the invisible line drawn between the front and back of the house. "When a floor worker goes into the kitchen or vice versa," says Hengst of The Silver Diner, workers say, 'Hey, it mustn't be that bad in the kitchen' or 'Hey, it mustn't be that bad on the floor.' These are the kind of things that break down the barriers between the front and the back of the house."

Filling out report cards for each other

Just as cross-training can raise an employee's sensitivity to those who work in other roles in the restaurant, restaurateur and consultant Bill Main has found that peer cross-evaluations remind employees that the restaurant's success depends upon their smooth interaction with others. At The Shorebird, in Princeton-by-the-Sea, California, Main uses a peer cross-evaluation form to let employees know what their co-workers think of their work performance. These evaluation forms include such questions as "How would you rate this person's willingness to share the work load?" "How much do you trust this person?" and "How much do you like working with this person?"

The peer evaluations, which Main also uses as a criterion for promotions and raises, take place after a person has been employed for 90 days and one to three times a year afterwards. "The cross-evaluation system is the best system to join the front and back of the house that I know of," says Main. "It's a good way to get people involved and to create an awareness of and an appreciation for what other people do in the restaurant."

Breaking down barriers

Maintaining smooth relations between two groups of workers who, as operator Ken Koock points out, "have totally different mindsets," clearly is a full-time job for operators and managers. But the task is worth pursuing, because by working to raise employees' self-esteem, increase their understanding of their co-workers' importance and facilitate communications, operators can put welcome mats, instead of foxholes, on each side of their kitchen doors. ❑

31 WAYS TO REDUCE BURNOUT

by Gary Stern

When Rachel Gordon (not her real name) graduated from the Culinary Institute of America in the late 1970s, she saw herself not as a chef but as an artist. Idealistic and imbued with the notion of bringing high-quality American food to her native San Francisco, she opened her own restaurant, which drew raves. To maintain quality control, she worked from 9 a.m. until 1 a.m.—16 long hours, often six days per week. But after three years of the grueling schedule she felt depleted and regretted having little personal life and time for loved ones and friends. Finally, after much soul-searching, she decided to close her restaurant and work as executive chef. Five years later she still finds the demands the foodservice industry places on her and other restaurant personnel to be unending, and she is now wondering whether or not to stay in the restaurant business.

Rachel is a symbol of what happens to the enthusiastic restaurant employee after several years in the business. No different from nurses, schoolteachers and other service employees, restaurant workers who face intense pressure, long hours and close contact with the public fizzle out after five or so years and quit to pursue other opportunities. Turnover presents an ongoing problem to restaurateurs who know that a veteran, capable staff generates restaurant stability, increased profits and a more professional working environment.

How can knowledgeable restaurateurs prevent employee burnout from occurring at their restaurant? Here are some proven strategies from restaurant operators, managers, chefs, teachers at culinary schools and restaurant consultants.

1. Recognition: first and foremost. Vincent Pascal, vice president in charge of operations for Ark Restaurant Management Corporation, which runs 10 restaurants in the New York City area, believes one of the main reasons so many restaurant personnel burn out on the job comes from a lack of recognition for a job well done.

Stuart Armstrong

Each restaurant in the Ark Restaurant chain is given a monthly budget for the manager to use at his or her discretion to reward employees of the month. Servers, busing staff, bartenders all have a chance at receiving Broadway theater tickets, bottles of wine and $25 bonuses.

2. A decent schedule helps. Long working hours contribute to employee dissatisfaction, fatigue, low morale and eventual turnover. At Marriott Hotel restaurants, company policy dictates that employees work standard five-day-a-week schedules and never longer than a 10-hour day, says Forbes Husted, general manager of the Marriott Hotel at Newark Airport.

Lettuce Entertain You Enterprises, the Chicago-based restaurant firm, takes a different approach. It maintains a healthy attitude toward time off and flexible schedules. Every week employees request time off, and on the basis of seniority, their wishes are granted. Lettuce Entertain You makes sure to have enough personnel on hand to allow for this type of flexibility.

3. Training can increase confidence. Lack of training is one factor that leads to employee burnout. Too many employees are not clear about what owners want from them or how they should do their jobs. Failure to communicate expectations renders ineffective most human resource efforts, while training allows employees to develop to their full potential.

4. Job descriptions clarify expectations. Clearly worded job descriptions, specifying exactly what the job calls for, can help ease staff dissatisfaction, because like training, they help clarify duties and responsibilities.

5. Performance reviews are a must. People want to know how they are doing; when they don't get feedback, their spirits plunge. Good behavior left unnoticed will not last, and poor performance left unchecked can snowball into low morale by others on staff.

6. A clear chain of command cuts down on confusion. A clear chain of command can increase job comfort. If three or four people own a restaurant, each may give orders—often contrary ones—to the staff. Confusion, mixed signals and conflicting demands quickly set in.

7. Employee feedback increases involvement. The more the staff is listened to, the more they will feel involved. At each of the Ark Restaurants, each manager is required to sit down with each employee at least once a year. Employees are asked a

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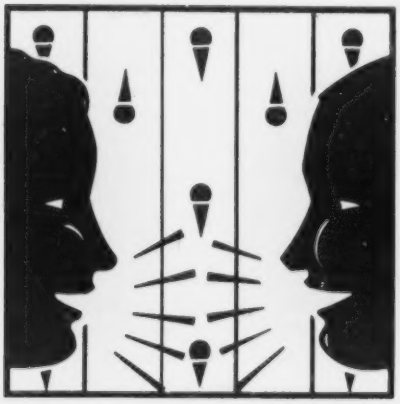
series of specific questions, such as "How would you characterize your customers?" "Which are the best stations?" "What are your goals for two years from now?" and "How would you describe your own performance?" "We want to hear everything



they have to say," explains Vincent Pascal.

The Russian Tea Room management staff holds regular meetings with hourly employees to encourage them. And they're coming up with ideas. Using staff suggestions, the Russian Tea Room has invited an expert to lecture on 30 different kinds of vodka, brought in wine experts and started employee loan programs.

8. Consistent treatment builds a team. Employees want to be treated in a fair and consistent way that will help them handle the restaurant's hectic and frenetic pace, observes Michael Romano, executive chef of the Union Square Cafe in Manhattan. If the executive chef gives the sous chef preferential treatment over the salad chef, enmity may develop. "We're all working as a team to prepare the meal" is the spirit that an executive chef and a manager want to convey, Romano suggests.

9. The kitchen staff and wait staff can work together (see page 25). In the tense environment of most restaurants, dissension between front-of-the house and back-of-the house staff contributes to employee burnout. When there's a warm rapport between kitchen and wait staff, everyone gains.

10. A manager must support the staff. Restaurant personnel like to feel that managers support them. If a manager sees a problem brewing between a server and a customer, often it is advisable to step in and smooth over the problem.

11. Excellent performance deserves a reward. Owners can create incentives to reward performance and highlight achievement. Servers who have the highest check averages or the most desserts sold for the month, for example, can earn free dinners at other restaurants or a bonus percentage.

12. New experiences provide variety. After serving in the same restaurant position for many years, many restaurant employees may feel trapped or may fall into a rut. That's why Romano of the Union Square Cafe says that he likes to stretch his staff's talents by providing them with new challenges when performance warrants. This can involve adding to their job responsibilities or giving them a special assignment.

13. Hiring right is the first step. You hire as is. Skills can be built, but the right personality must already be there. Mark Miller, owner of the Coyote Cafe in Sante Fe, New Mexico, knows that only a certain kind of restaurant employee will choose to live in a small resort town like Sante Fe for a prolonged period. When he hires chefs, managers or servers, he tries to familiarize himself with them as people. He'll ask them whether they've lived in a small town before and how much they engage in outdoor activities, the mainstay of life in Sante Fe.

Other restaurateurs put a premium on outgoing personalities, because affable and talkative employees relate well to patrons.

14. Promoting talented employees boosts loyalty. Susan Feniger, co-owner with Mary Sue Milliken of two successful Los Angeles restaurants—City Restaurant and Border Grill—is always on the lookout for talented employees who can move up the ranks. When she spots a waiter or waitress who is especially industrious or who makes suggestions to improve the restaurant's operation, she will take the person aside and over coffee tell him or her, "We're growing and you could go places with us." She may suggest the employee take management classes at an adult continuing education program.

15. Respect wins points with everyone. It may sound like a cliche or a page out of the Girl Scout/Boy Scout handbook, but management's respect toward employees goes a long way to boosting recognition, raising morale and easing burnout problems.

16. Having fun eases tension. Often restaurant employees take their work too seriously. Every member of the staff of Lettuce Entertain You Inc., however, is trained with a philosophy that says "make money and have a

good time." At daily server meetings managers not only discuss daily specials but they also motivate their staffs by recounting recently heard jokes, philosophies of life and memorable anecdotes.

17. Relieving the pressure on the executive chef can ease kitchen stress. For example, allowing a sous chef, under the direction of the executive chef, to be responsible for lunch can minimize the all-consuming pressure that a chef experiences for two meals a day, says Leslie Revsin, consultant and former executive chef of Bridge Cafe, 24 Fifth Avenue and Metropolis.

18. Happy dishwashers mean more than clean dishes. The executive chef is not the only key employee in the kitchen. Dishwashers, too, can play an important role and should be recognized for their accomplishments. At the Hat Dance restaurant in Chicago, manager John

Buchanan presents a "dishwasher of the month" award, which comes with a T-shirt and hat.

19. The personal touch is a healing balm. The more personal you are with your staff, the better you are able to communicate with them and the less burnout will be a problem. Don't write impersonal notes; learn your staff's names and speak to them one-on-one whenever problems arise.

20. Employees appreciate being treated as people. "It's easy to get so busy with the business that you're looking at people as figures and interchangeable parts that do a task," notes Husted of the Marriott Hotel at Newark Airport. Some efforts to keep the "humanness" factor in the restaurant include employee picnics and programs to deal with personal problems, such as alcohol or substance abuse.

21. A newsletter says "thank you" in public. Everyone likes to see his or her name in print. Newsletters can be started at minimal cost to motivate the staff—and inform customers. Large companies, such as the Marriott chain, publish a specific employee newsletter or magazine. Other organizations publish a newsletter that doubles as a promotion piece. Articles can include employee profiles as well as recipes and a discussion of promotions and food trends.

22. Employees want to know what's going on. Don't let employees be the last ones to know of organizational changes. At the Sign of the Dove in New York City, the staff was the first to review a recent menu change. "The staff is the absolute front line. They deal with the customer. You don't want to make them follow your blind leads," notes restaurant consultant Clark Wolf.

23. Food can talk. A restaurant owner who serves his staff leftovers is conveying a strong message of how he perceives his staff. Rozanne Gold of Joseph Baum and Michael Whiteman Company, Inc., in New York City says that restaurants can make sure that they serve food to the staff that it will like. A side benefit—restaurant staff can test out the cafe's menu and discuss it from personal experience.

24. Money does play a role. A fair wage is understood to be a requirement for job contentment, but a profit-sharing plan and Christmas bonuses can be powerful motivators, too. Some employees have even established an employee-loan program to ease the financial burden of staff members.

25. A sense of humor creates the right climate. "Management has to have a sense of humor, because management sets the tone," says Ray Wellington, wine director for the New York Restaurant Group. "If you have a frown on your face, the employee will think he or she is doing something wrong."

26. Stagnation can sap interest. "A restaurant that isn't always changing can quickly turn into a parking lot," says Clark Wolf. Change the menu. Introduce new programs and promotions. Keep your restaurant lively and new.

27. Physical fitness increases stamina. Mark Kiefaber, program manager at the Center for Creative Leadership in Greensboro, North Carolina, has studied burnout problems in many corporations. He urges restaurant employees to take good care of themselves physically and psychically. An owner or manager can set the physical-fitness pace.

28. An educated staff is more competent. Jerry Vincent, program director of Hospitality Management at Johnson County Community College, in Overland Park, Kansas, says that restaurants that educate their staffs and challenge them can increase sales as well. Training can be in house—by a staff person or visiting speaker—or away from the restaurant at a community college or culinary school.

29. Problem solving is an opportunity for involvement. When staff members are asked for their ideas to solve problems, they feel valued—and often come up with the right solution.

30. The right organizational culture keeps burnout down (see page 12). Preventing employee burnout must stem from an "attitude from top to bottom," says Jerry Vincent. It has to start with the top person caring about every individual in the organization. A team effort is needed to prevent burnout—every manager, every hourly employee, must be trained to be sensitive to other members of the staff.

31. A long-term view is a built-in safeguard. When restaurant owners are in the business for the long haul, not for a quick profit, they make it their priority not to overwork their staff. ❑

Watching for the telltale signs

At Lettuce Entertain You Enterprises, Inc., in Chicago, managers go through a training program in which they are taught how to look for signs of burnout and how to address employees when dissatisfaction is observed. For example, if a waiter or busboy comes to work unshaven or a waitress doesn't wear lipstick, there may be a problem brewing. "Managers look for crankiness and little signs of tiredness," explains vice president of human resources and training Loret Carbone. If signs are apparent, managers are trained to use one-on-one communication to unearth the problem and discuss solutions.

One evening Carbone spotted a waitress who is usually cheerful, looking disconsolate. Carbone took her aside and inquired whether anything was the matter. Beginning to cry, the waitress informed her that she had waited on a table of eight people for more than two hours and got "stiffed." The next night Carbone made sure that the waitress served a table of people known to be generous tippers so she could be compensated for the previous slight.

#102

Vexing employee issues—and what to do about them

A manager must be prepared to deal with vexing employee-relations issues that arise from time to time. These matters should be handled professionally, calmly and directly or things can get out of hand—to the detriment of the organization. Here are a few of the kinds of vexing issues that can arise, together with what I have found to be good (not perfect) responses to these situations.

1. Issue: You receive an anonymous letter stating that one of your employees is dealing in drugs and that some of this activity is occurring on premises.
Response: Call the employee in and tell him or her about the letter. Indicate that you do not give credence to anonymous letters or phone calls. Ask the employee if he/she knows who might want to damage his/her reputation, cause trouble in the workplace, etc. In a general way, restate your company's position on drug use (and drug dealing) and mention the illegality of such activity and the damage to body and mind, etc. Ask the employee to help you and others in the organization to be vigilant in this area. If the employee is involved, he/she will usually separate from the organization as the result of the "exposure."

If drugs are indeed a problem in your organization, consider starting an employee assistance program (EAP).

2. Issue: An employee records (or inflates) a questionable expense on the employee expense reimbursement form.
Response: The principle involved here is that you cannot tolerate dishonesty; because if you do, it will become endemic to the organization. If it's a minor matter, call the employee in and ask for an "immediate explanation." You will probably get a feeble excuse. ("I had a lot of receipts, and I guess it just got mixed up.") Emphasize *very firmly* the necessity for accuracy in completing this critical report. Return the form to the employee and ask for a corrected version. Generally, you won't have any more trouble with the employee, because he/she knows you look over those reports carefully. That's a reputation you want to cultivate.

If it's a major matter, it may be grounds for dismissal, however, depending on such things as general performance, time with the organization, etc. If dismissal is not an option you want to consider, you may want to let the employee know that you are writing a "memo for the file" about the incident and that you will keep the memo in your desk and will not insert it into the employee's personnel folder *unless* there is another incident.

On all other matters of theft (record falsification is one of several types), you have no alternative but to terminate the employee.

3. Issue: An employee tells you he/she has been offered another position at a higher wage but would stay with your company if you would match the offer.
Response: Do not give the employee an immediate answer, but say that you will review the records, the wage structure and other factors to determine whether the position is priced competitively. Then take a look at it. If you've got a balanced structure and are competitive, you are better off advising the employee to take the new position; otherwise, you will disrupt the structure, and that's how things get out of kilter.

Often employees use this technique as a plea for recognition and a discussion of their future (not recognizing that there is a more open and direct way to do it). If you do not provide ample recognition or do not have a good, solid (but professional) interpersonal relationship with your employees, then they'll leave you anyway. Some people just do outgrow their positions and organizations. It's a fact of business life.

4. Issue: An employee's creditor contacts you to request your assistance in encouraging the employee to make payment (not a garnishment situation).
Response: Tell the creditor that his/her business relationship with the employee is outside the scope of your organization and that the creditor should use other established channels to seek whatever redress is due. Don't mix yourself into that relationship.

Then tell the employee that you had an inappropriate contact from a creditor and explain how you replied to the creditor. You need to tell the employee what happened because an unscrupulous creditor may still try to suggest an alliance with you as leverage with the employee. Keeping the employee informed keeps everything above board and keeps you out of it.

5. Issue: An employee comes to you complaining of sexual harassment by a co-worker.
Response: Write down the details of what you are told. Ask the complaining employee to write down the facts leading to the complaint, in the interest of thoroughness, even though you have recorded the details. Some employees may not want to set their complaints down in writing. Even so, you have to deal with the situation, since it has been brought to your attention.

Call in the co-worker. State that a complaint has been received and name the complainant. Ask, "Do you have anything to say?" Take notes. If there is a basis for the complaint, state that such conduct is not consistent with the professionalism and mutual respect that is the standard for the organization. If there is a denial, say that you are not being accusatory. Instead, explain that because the situation has been brought to your attention, you, as a manager, are obliged to address it. Ask the co-worker to respond in writing. You are likely to get action.

Most probably, the complaint and the response will fall into a "gray area." The offending co-worker may claim he/she was joking, that it was good-natured

fun, etc. The complainant will probably say it was not a joke or that the so-called joke was itself offensive. If this is the case, explain to the offending co-worker the necessity for sensitivity in remarks, acts, etc.—not only with the complainant, but also with everyone. Assure the co-worker that his/her written response and your notes will go into an envelope (not the personnel folder), to be kept in your desk unless there are further incidents.

6. Issue: An employee asks you for a loan.
Response: It's better not to get into a personal creditor relationship with an employee. Suggest the use of traditional channels, such as banks, personal-finance companies, etc. If it is warranted, you may want to give a salary (wage) advance secured by vacation-time build-up.

7. Issue: An employee begins soliciting funds from other employees for some charity or institution.
Response: If you don't already have one, establish a policy that prohibits solicitations, except for company-authorized solicitations, such as the United Way Campaign.

Because the people, facts, timing and circumstances of vexing issues are all different, temper your responses with judgment. Use the responses here as a framework within which to manage these types of matters when they come before you.

Fisher's Law #102: **If you manage vexing issues, minor management headaches will not become major management problems.**

Yogurt—now in the mainstream

In the 1960s restaurant chefs who used yogurt were confined to health-food restaurants in areas like Berkeley, California; Cambridge, Massachusetts; or similar university towns. By the 1970s yogurt was making appearances on salad bars, in cafeteria lines and as a popular frozen dessert. But as the 1990s approach, yogurt is going mainstream. It's being used by chefs in soups, dressings, sauces and desserts in a variety of restaurants.

Yogurt consumption in the United States has exploded since 1960, when we consumed just more than one-quarter pound of yogurt per person annually. By 1986 American consumers were downing more than four pounds each. A glance at the National Restaurant Association's Restaurant Hotel-Motel Show exhibit guide reflects the trend. In 1989, 21 exhibitors featured yogurt, while in 1985 only five did so.

Although our nation's infatuation with yogurt may be a recent development, other cultures have been enjoying it for centuries. The Dutch, Swiss and French, for example, are the top three yogurt-consuming populations on a per-capita basis.

What is yogurt?

Yogurt is classified as a cultured or fermented milk and is made by adding live cultures, *Lactobacillus bulgarius* and *Streptococcus thermophilus*, to whole, low-fat or skim milk. These bacteria feed off lactose, the naturally occurring milk sugar, and convert it to lactic acid, which gives yogurt its characteristic flavor and custard-like consistency. The process takes about three hours of incubation at about 110° F. and can be produced quite easily by using a few tablespoons of yogurt with active, live cultures as a starter. Although most European countries require that yogurt contains live, active organisms in the finished product, the Food and Drug Administration allows commercial yogurt sold in the United States to be heat-treated after culturing. This destroys and deactivates live active cultures. Heat-treated yogurt must be so labeled. All yogurts with live active cultures will list one of the following statements on their labels: "with active yogurt cultures," "living yogurt cultures" or "contains active cultures."

What are its benefits?

Yogurt earned its reputation as a longevity enhancer at the beginning of this century, when a Russian scientist and Nobel Prize winner touted a theory that the live cultures in yogurt could improve the intestinal environment and prolong life. Although unproven, the health claims for yogurt have managed to survive for more than 75 years.

Because the cultures in yogurt convert milk's sugar—lactose—into lactic acid, yogurt is tolerated by people who are lactose-intolerant and are unable to digest lactose on their own. Scientists have found that the active, live cultures in yogurt do not colonize or flourish in the human digestive tract. But they think yogurt cultures can enhance the natural intestinal bacteria and make them more effective.

When included in the diet on a regular basis, yogurt seems to have definite health benefits. Yogurt-eating populations tend to suffer less colon cancer than their nonyogurt-consuming counterparts. Yogurt is also an effective anti-diarrheal agent. Plus, this fermented-milk product is often recommended by physicians to patients who have been on antibiotic therapy, to restore useful bacteria that normally thrive in the intestine

CREAMY RANCH DRESSING

Yields 1½ cups

Ingredients:
½ cup plain nonfat yogurt
½ cup low-fat buttermilk
1 Tbs. cottage cheese
1½ Tbs. grated Parmesan cheese
1 clove garlic, blanched
2 tspns. fresh or ¼ tspn. dried oregano
1 tspn. fresh or ½ tspn. dried basil
½ tspn. fresh or a pinch dried thyme
1 pinch each of dried sage, cayenne pepper and cumin
1 tspn. Worcestershire sauce
½ tspn. Tabasco sauce
½ tspn. lemon juice

Method:
Combine all ingredients in a food processor and blend until creamy.

—Recipe courtesy of Tracy Pikhart Ritter, The Golden Door

but are killed by antibiotics. Yogurt's role as a cholesterol-lowering agent is still questionable.

The nutritional value of yogurt should not be overlooked. Yogurt is made from milk. It is an excellent source of protein and calcium, and it has the other nutrients found in milk. Whole, lowfat or skim (nonfat) milk can be used to make yogurt. Therefore, the fat content of yogurt can vary from less than one gram to seven grams of fat per cup, depending on the milk used. Still, a cup of whole-milk yogurt with seven grams of fat has considerably less fat than does the sour cream, mayonnaise or heavy cream it is often used to replace (see chart).

How can it be used?

Although cooks in India have long appreciated yogurt's diversity—incorporating it into rice dishes, sauces, soups, salads, tomato gravy and lassi, a yogurt-based drink—American chefs are only beginning to recognize yogurt as a legitimate ingredient. "I use quite a bit of yogurt when creating dishes for the restaurant," says Richard Perry, chef/owner of Richard Perry Restaurant in St. Louis, Missouri. "Its flavor and consistency give a quality to foods not found with other dairy products." His restaurant's menu often features traditional tomato bouillon, with a yogurt-swirl flourish; or appetizers of sweet potato ravioli stuffed with duck meat, yogurt and goat cheese and roast pork tenderloin with a savory sauce that contrasts pears with blue cheese and plain yogurt.

The Denver Salad Company in Denver specializes in homemade soups, deli sandwiches, topped baked potatoes and a 70-item salad bar. Owner Ed Morton uses plain yogurt in salad dressings and sandwiches instead of mayonnaise. "Our reduced-calorie ranch dressing, made with plain yogurt, is our third-most-popular salad dressing (out of 11 varieties)," he says. Morton also offers a Dijon yogurt topping for baked potatoes at a considerable calorie and fat savings over sour cream.

Tom McGlone, general manager and executive chef of Hogan's, a 250-seat casual-dining restaurant in Troy, Michigan, makes a yogurt dill dressing that he serves with broiled fish. "It's a great replacement for tartar sauce," he boasts. McGlone has recently added two desserts to the menu that he prepares with frozen yogurt. His torte Suzette uses strawberry and vanilla yogurt, and his torte Miguel calls for chocolate yogurt laced with nuts and carob.

Executive chef Tracy Pikhart Ritter of the Golden Door, an exclusive health spa in Escondido, California, considers yogurt an excellent medium with which to work. "It acts as an emulsifier in dressings, sauces and marinades. Yogurt's tart taste works well with vinegar and citrus flavors, so it's good for dressings and cream-based desserts. Plus it's low in fat, calories and cholesterol."

Substitute and save

An easy way to cut back on calories, fat and cholesterol is to replace such high-fat ingredients as sour cream

STRAWBERRY DREAM CAKE

Makes 48 servings

Ingredients:
4¼ cups unsifted cake flour
3 cups sugar
2 tspns. baking soda
2 tspns. baking powder
1 cup margarine, softened
2 cups vanilla yogurt
8 large (1 cup) egg whites

Topping:
3 quarts vanilla yogurt
3 quarts sliced fresh strawberries

Method:
In 12-quart mixer bowl, combine dry ingredients.

Add margarine and yogurt.

Beat on low speed just until ingredients are moistened; beat on medium speed 2 minutes.

Add egg whites.

Beat on medium speed an additional 2 minutes.

Pour batter into well-greased and floured baking pan (15 x 13 x 3-inches).

Bake at 350° F. for 30 to 35 minutes or until tests done. (Adjust oven temperature and bake time for convection oven.)

Serve slightly warm or at room temperature with ¼ cup vanilla yogurt and ¼ cup sliced strawberries per serving.

—Recipe courtesy of The Dannon Yogurt Co., Inc.

HOT CHICKEN & PASTA TOSS

Makes 24 servings

Ingredients:
3 lbs. rotini, uncooked
1½ cups margarine, softened
4 cups plain yogurt
6 cups diced, cooked chicken
2½ cups shredded carrot
1½ cups grated Parmesan cheese
6 Tbs. chopped, fresh parsley
1½ cups sliced almonds

Method:
Cook rotini according to package directions.

Drain well; return to warm kettle.

Add margarine; toss until melted.

Add yogurt, chicken, carrot, Parmesan cheese and parsley.

Toss until pasta is coated.

Sprinkle with almonds just before serving (1 Tbs. per serving).

PASTA SIDE DISH: Omit chicken from recipe above; prepare recipe as directed. 36 servings.

—Recipe courtesy of The Dannon Yogurt Co., Inc.

Nutritive values of yogurt and comparable ingredients

One cup (8 oz.)	Calories	Protein grams	Fat grams	Cholesterol milligrams
Plain yogurt made from:				
☐ skim milk*	127	13	0.5	4
☐ low fat* milk	144	12	3.5	14
☐ whole milk	139	8	7.0	29
Cottage cheese, low fat	203	31	4.0	19
Cream cheese	792	17	79.0	248
Heavy cream	821	5	88.0	326
Mayonnaise	1,577	2	175.0	130
Sour cream	493	7	48.0	102
Frozen yogurt**	297	9	4.5	23
Ice cream				
☐ hard, regular 10% fat	269	5	14.0	59
☐ premium 16% fat	349	4	24.0	88
☐ soft-serve (French vanilla)	377	7	23.0	153

**Contains added nonfat milk solids*
***Manufacturer's data (Columbo)*

SOURCE: USDA

ORANGE MUSTARD DRESSING

Yields 1½ cups

Ingredients:
8 ounces nonfat plain yogurt
1 Tbs. capers
2 Tbs. grainy-style mustard
1 Tbs. Dijon mustard
½ tspn. turmeric
2 Tbs. orange zest
2 Tbs. fresh orange juice

Method:
Place all ingredients in a food processor and blend until creamy.

Excellent with vegetables, fish and chicken.

Can be heated by placing in a double boiler.

—Recipe courtesy of Tracy Pikhart Ritter, The Golden Door

and mayonnaise with yogurt. Use plain yogurt in place of all or half of the sour cream when making:

□ dips for fruits and vegetables,

□ sauces for meat, fish and poultry,

□ Mexican foods such as tacos, enchiladas and tostadas,

□ topping for cereal, pancakes and waffles,

□ gravy and sauce-based entrees, such as Swedish meatballs and tuna casserole,

□ beef stroganoff,

□ topping for twice-baked potatoes and

□ dessert toppings and fillings.

In place of all or half of the mayonnaise, use plain yogurt when preparing:

□ creamy salad dressings,

□ main-dish, fruit and vegetable salads and

□ sandwich fillings.

Yogurt's versatility extends beyond its use in recipes. Served alone or with accompanying items, yogurt adds variety to your menu throughout the day.

—Claire Regan, R.D.

Health insurance costs are up dramatically

Restaurant companies have been faced with dramatic increases in the cost of employee health insurance, according to a recent National Restaurant Association survey. The survey, conducted in August 1989, follows up with the same respondents who participated in a 1987 survey on industry health insurance, which was summarized in the August 1988 issue of ***Restaurants USA.***

The cost for the employer's share of premiums for individual coverage of hourly employees rose a minimum of 23 percent between 1987 and 1989. And some operators experienced increases averaging 60 percent over that two-year period.

In addition to bearing the cost of increased premiums, more companies are finding it necessary to require hourly employees to shoulder some of the financial load for their health insurance coverage. For instance, the proportion of companies in the $500,000 to $999,999 sales class that required no premium contribution from hourly employees declined from more than one-half in 1985 to around one-quarter this year. Generally, the employee's contribution to premiums has more than doubled in four years.

Similar findings apply to salaried employees. Although the majority of foodservice employers still provide individual health insurance coverage free of cost to salaried employees, the employer's contribution to premiums averaged 50 percent higher in four years.

How restaurateurs are coping

Some of the changes made in health-insurance plans since 1987 give an indication of how restaurant employers are dealing with increased costs. Across each of the sales-volume categories, nearly twice as many said there has been a decrease rather than an increase in benefits provided. For those with annual sales of less than $500,000, the proportion reporting a decrease in benefits was 22 percent, versus 14 percent reporting an increase.

Even more commonplace has been an increase in deductibles. Although one-quarter of respondents who have annual sales of less than $500,000 reported increasing deductibles, the figure rose to about six in 10 for those with annual sales exceeding $5 million.

Percent of foodservice employers providing health insurance coverage for hourly and salaried employees by type of plan and company-sales volume, 1989

As sales volume increases, the likelihood of providing coverage for both hourly and salaried employees increases

	Annual company sales				
Type of coverage	**Less than $500,000**	**$500,000-$999,999**	**$1 million-$4.9 million**	**$5 million-$9.9 million**	**$10 million and more**
Hourly employees only	4%	5%	1%	0%	0%
Salaried employees only	15	18	18	21	13
Hourly and salaried employees	30	60	72	75	87
No plan	51	17	9	4	0
	100%	**100%**	**100%**	**100%**	**100%**

Source: *National Restaurant Association Health Benefits Survey*

Still, health insurance is prohibitively expensive for many small employers, approximately half of whom provide health insurance coverage for neither hourly nor salaried employees.

As the accompanying table demonstrates, the likelihood of providing coverage for both hourly and salaried employees rises as sales volume increases. Few respondents with sales of $1 million or more provide no coverage.

Companies with no insurance

Among restaurant companies that provide no health insurance to employees, the most common reasons cited for not doing so are the cost and lack of need among employees. Among small restaurant companies with annual sales of less than $500,000 that do not provide health coverage, the most common reason, cited by almost three-fourths of the respondents, is that the premiums are too high. The second-ranking reason mentioned by nearly two-thirds of this group is that their company is not profitable enough.

Regarding lack of employee need, nearly six out of 10 small operators reported that employees are covered under a spouse's or parent's health insurance plan. Although many employers do not know whether their employees have access to health insurance elsewhere, those in small firms who do know reported that nearly one-half of their hourly employees have health coverage through another source.

Despite the fact that their employees are frequently covered elsewhere, many small restaurant companies said that they would consider providing health insurance in the future if it were possible to overcome the barriers that prevent them from doing so now. A decrease in the cost of insurance, coupled with less stringent coverage requirements, would make it more possible for small foodservice companies to offer health insurance.

More than eight in 10 small companies said the following conditions would encourage them to consider providing health insurance:

- ☐ lower insurance rates,
- ☐ a more profitable business and
- ☐ no minimum coverage rates.

—Susan Mills

Dependent-care leave is becoming commonplace

Flexible work schedules, which are especially important to those with family responsibilities, are frequently offered in restaurant companies. The survey revealed that most employers provide flexible work schedules for salaried and hourly employees. Among employers with sales of less than $1 million, about six in 10 provide flexible work schedules to salaried employees and eight in 10 do so for hourly workers.

Even more important to those who are family-care givers, nearly all employers report that they allow employees time off to care for a sick parent or child. Although few have a formal policy for such leave, approximately nine out of 10 restaurant employers allow employees to take this time off. This is generous in comparison to availability of time off for dependent care in other industries.

CREST report—1989 summer quarter

After a weak spring quarter, which included a 1.9 percent decline in customer traffic, industry traffic advanced in the summer. Overall traffic was up 2.0 percent from summer 1988 levels.

Upscale restaurants, the only group to post positive growth in the spring, again showed the highest growth among industry segments, with an 8.4 percent rise in customer counts. Midscale restaurants showed their first positive quarterly traffic growth since winter 1988; traffic advanced a robust 4.1 percent. Quickservice restaurants, which suffered a 2.2 percent decline in traffic in the spring, recovered to post a 0.6 percent gain in summer customer counts.

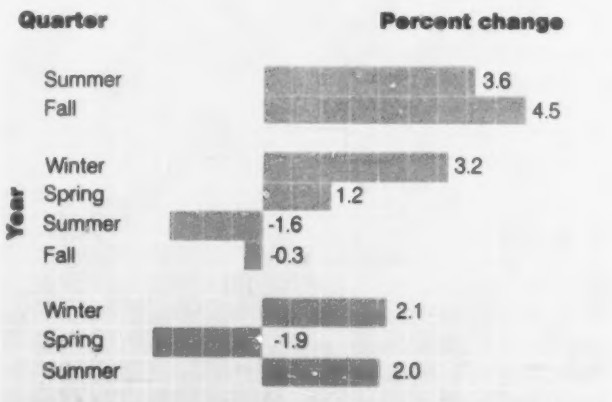
After traffic declines in the spring, both on and off-premises traffic showed traffic growth in the summer. On-premises traffic, which had not posted quarterly growth since fall 1987, increased 0.5 percent overall and 9.0 percent at upscale restaurants and 2.0 percent at midscale restaurants. On-premises traffic at quickservice restaurants declined 1.7 percent.

Off-premises traffic advanced 3.8 percent for the industry. Midscale (up 27.1 percent) and quickservice (up 2.1 percent) restaurants both posted growth in off-premises customer counts. However, off-premises traffic declined 0.8 percent at upscale eateries.

Among the three meal periods, only breakfast

Percent change* in quarterly traffic summer 1987–summer 1989

Restaurant traffic in summer 1989 advanced 2.0 percent over summer 1988



*Percent change is over same quarter, previous year

Sources *NPD CREST Household Reports, summer 1987–summer 1989*

showed consistent traffic declines. Total breakfast traffic dropped 1.3 percent, as off-premises breakfast traffic fell 2.2 percent and on-premises breakfast traffic declined 0.9 percent. Overall lunch traffic advanced 2.3 percent, with a 7.0 percent growth in off-premises lunch traffic offsetting a 0.7 percent loss in on-premises lunch customer counts. Dinner showed consistent traffic growth—advancing 3.2 percent overall and posting 1.6 percent and 4.9 percent increases, respectively, in on-premises and off-premises traffic.

Deal usage soared ahead of last summer's level. Promotions were used on 18.0 percent of all occasions in summer 1989—well ahead of the 16.5 percent level in summer 1988. Quickservice establishments used more promotions than any other segments. Deals were used on 20.3 percent of quickservice occasions. Promotions were used on 13.4 percent of all midscale occasions and 12.5 percent of all upscale occasions. Deal usage was 2.0 percent higher at quickservice restaurants, 0.3 percent higher at midscale restaurants and 0.3 percent lower at upscale establishments than it was last summer.

The average per-person check advanced 5.6 percent—from $3.54 in the 1988 summer quarter to $3.74 in the 1989 summer quarter. Quickservice restaurants recorded the largest gain in per-person check size—up 5.7 percent to $2.76. The average check advanced 4.8 percent to $4.63 per person at midscale restaurants. Upscale restaurants showed the smallest growth in per-person check size—up 1.7 percent to $9.42.

A review of employee turnover rates for 1988

For the fourth consecutive year, the National Restaurant Association, in conjunction with the accounting firm of Laventhol & Horwath, has compiled data on employee turnover rates from its annual restaurant industry operations survey.

In the survey conducted early this year for the *1989 Restaurant Industry Operations Report*, operators were asked to specify how many W-2 forms their restaurant distributed in 1988. The number of W-2 forms provides a measure of the total number of individuals who worked at these establishments at some time during 1988. The turnover rate is calculated by dividing the median number of W-2s by the median number of employees.

Fast food turnover rate advances

For 1988, full-menu tableservice establishments reported a turnover rate of 2.2—the same rate as in 1987. Limited-menu tableservice operators posted a 1988 turnover rate of 2.3—up slightly from 2.2 in 1987.

In contrast, the turnover rate for limited-menu, no-tableservice (fast food) establishments rose from 2.5 in 1987 to 2.8 in 1988. Sandwich/hamburger restaurant operators recorded a turnover rate of 2.2—the lowest in the category—while chicken restaurants had the highest rate for this group at more than 4.

In the full-menu tableservice category, Italian restaurants reported the lowest employee turnover rate—2.0—while Continental establishments had the highest turnover rate at 2.4. In the limited-menu tableservice group, American theme restaurants reported the lowest turnover rate at 1.7.

Turnover by sales volume and profit

□ Turnover was lower among restaurants that posted a net profit in 1988.

1988 employee turnover rates

Type of establishment	Median number of employees	Median number of W-2s	Turnover rate
Full-menu tableservice	43	95	2.2
Sales volume			
□ Less than $500,000	22	42	1.9
□ $500,000-$999,999	33	75	2.3
□ $1,000,000-$1,999,999	55	120	2.2
□ $2,000,000 and over	91	200	2.2
Profit			
□ Net profit	43	94	2.2
□ Net loss	32	75	2.3
Limited-menu, no tableservice	20	57	2.8
Sales volume			
□ Less than $400,000	13	30	2.3
□ $400,000-$749,999	17	50	2.9
□ $750,000 and over	28	122	4.4
Profit			
□ Net profit	21	58	2.8
□ Net loss	20	72	3.6
Limited-menu tableservice	23	53	2.3
Sales volume			
□ Less than $350,000	16	30	1.9
□ $350,000-$699,999	21	58	2.8
□ $700,000 and over	45	110	2.4
Profit			
□ Net profit	21	46	2.2
□ Net loss	23	53	2.3

Source: National Restaurant Association 1989 restaurant industry operations survey

Full and part-time employees,* 1988

Type of establishment	Full-time employees	Part-time employees (20 to 35 hrs.)**	Part-time employees (less than 20 hrs.)**
Full-menu tableservice	13	12	8
Sales volume			
☐ Less than $500,000	10	9	5
☐ $500,000-$999,999	11	10	9
☐ $1,000,000-$1,999,999	19	20	14
☐ $2,000,000 and over	40	30	20
Limited-menu, no tableservice	5	9	9
Sales volume			
☐ Less than $400,000	3	6	7
☐ $400,000-$749,999	4	9	8
☐ $750,000 and over	8	10	12
Limited-menu tableservice	7	9	6
Sales volume			
☐ Less than $350,000	5	6	5
☐ $350,000-$699,999	9	9	6
☐ $700,000 and over	13	20	10

*medians
**per week
Source: National Restaurant Association *Restaurant Industry Operations Report—1989*

especially among limited-menu, no-tableservice survey participants. Fast food establishments recording a net profit had a turnover rate of 2.8, compared to 3.6 for those incurring a net loss.

☐ Within each restaurant category (full-menu tableservice, limited-menu tableservice and limited-menu, no-tableservice), establishments in the lowest sales-volume category had the lowest turnover rates. For example, full-menu tableservice establishments with annual sales of less than $500,000 recorded a turnover rate of 1.9, compared to a higher rate of 2.2 among establishments with annual sales of $2 million or more. Among fast food establishments, those with annual sales of less than $400,000 posted a turnover rate of 2.3, compared to a rate in excess of 4 at establishments with annual sales of $750,000 or more.

☐ Turnover is generally less when the ratio of part-time to total employees is relatively low. For example, at full-menu tableservice establishments, part-time employees accounted for almost 61 percent of all workers; whereas among limited-menu, no-tableservice survey participants, part-time workers accounted for a larger 78 percent of the workforce. Compared with the 1987 data, the actual number of part-time workers declined at full-menu tableservice establishments in 1988, but increased at limited-menu, no-tableservice operations.

—Hudson Riehle

Slowdown in breakfast traffic continues

Takeout and weekends are the brightest spots in the declining breakfast market.

Breakfast traffic posted its last strong gain in 1985. Since then traffic has declined—down 2 percent from 1985 to 1988. Moreover, the downward trend in breakfast traffic picked up momentum in the first half of 1989, dropping 3 percent when compared to the same time period in 1988.

Generally, quickservice restaurants—where takeout is most common—have fared better than their midscale and upscale counterparts. Breakfast traffic was up by nearly 2 percent at quickservice places in both 1987 and 1988, but upscale and midscale places have not enjoyed any significant traffic growth in the past four years.

The share of total customers making a restaurant visit at breakfast peaked at 10 percent in 1988. Last year, the breakfast share was just above 9 percent—the lowest point since 1983.

Following the breakfast trend, morning snacks have decreased in popularity over the past several years. Traffic peaked in 1986 and decreased by almost 12 percent between that year and 1988. Morning snack traffic represented a 2 percent share of total customer traffic in 1988.

Percent change in breakfast traffic by day of the week

Monday shows the only gain in breakfast traffic

Day of the week	Percent change in breakfast traffic 1986	1987	1988
Monday	−7.0	*	7.2
Tuesday	−4.6	1.8	−2.7
Wednesday	−1.0	−0.9	−2.6
Thursday	−5.3	−4.5	*
Friday	−6.4	*	−3.2
Saturday	1.9	1.8	−1.7
Sunday	3.2	*	−0.4

*represents no change
Note: *Percent change is over the prior year*
Source: *NPD/CREST Annual Household Reports, 1986-1988*

Quickservice captured majority of traffic

As more quickservice restaurants entered the breakfast arena, their share of breakfast traffic rose dramatically—up from 46 percent in 1982 to 57 percent in 1988. In contrast, midscale restaurants, traditionally the breakfast stronghold, lost traffic—

Annual percent change in breakfast traffic, 1984–1988

Industry breakfast traffic declined in all segments except quickservice

	Traffic				
Segment	**1985**	**1986**	**1987**	**1988**	**1984-1988**
Total industry	7.4	−1.9	0.3	−0.6	5.0
Quickservice	18.3	−0.1	1.6	1.8	22.3
Midscale	−2.0	−4.4	0.5	−5.6	−11.1
Upscale	−4.8	−1.2	−7.5	−1.4	−14.2

Share of breakfast traffic

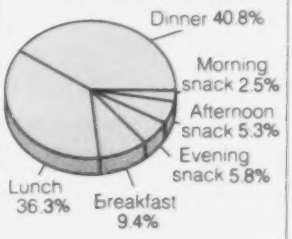
Quickservice captures most of the breakfast traffic

Segment	**1982**	**1985**	**1988**
Quickservice	46%	53%	57%
Midscale	48	41	38
Upscale	6	6	5

Source: *NPD/CREST Annual Household Reports, 1982-1988*

Restaurant traffic by occasion, 1988

Breakfast captured less than a 10 percent share of restaurant traffic



Source: *NPD CREST Annual Household Report, 1988*

down from 48 percent in 1982 to 38 percent in 1988. The upscale share of the breakfast market declined by one percentage point to 5 percent in 1988.

Hamburger places are by far the most popular spot for breakfast and morning snacks, capturing about three out of 10 breakfast visits. Other restaurants that are especially well represented in the breakfast market include midscale, varied-menu restaurants and donut places.

Breakfasts remain popular

Weekends captured 44 percent of all breakfast traffic in 1988, up from 41 percent in 1982. Sunday is the most popular day of the week to eat breakfast in restaurants. More than one-fifth (22 percent) of all breakfast eater occasions* occurred on Sunday, compared to only 15 percent for all meals. Until recently, weekend customer counts have held up better than weekday counts, perhaps due to the spread of weekend breakfast bars.

Takeout traffic has increased

Although breakfast is more likely than other meals to be eaten on premises, it is the off-premises breakfast business that had been increasing until the first half of this year, when it declined by nearly 2 percent. Takeout breakfast traffic jumped 56 percent between 1982 and 1988 and was up 8 percent between 1987 and 1988—despite the overall breakfast slowdown. Breakfast takeout has been especially strong in quickservice restaurants, on weekends and among singles, Yuppies and 25 to 34-year-olds.**

Sales of frozen breakfast entrees at grocery stores advance

The percentage of frozen breakfast entrees sold in grocery stores has skyrocketed. According to the *Supermarket Business* consumer-expenditure studies, grocery-store frozen-breakfast entree sales grew by 17 percent between 1987 and 1988 to $546.3 million, compared to only a 4 percent increase for all frozen foods.

—Elizabeth Gordon

**An eater occasion is one meal or snack eaten by one person; a restaurant occasion is a transaction that includes one or more diners.*

For more information on breakfast takeout, please refer to the January 1989* ***Restaurants USA *article.*

Focus on eggs

☐ More than eigh out of 10 egg orders (81 percent) occurred at breakfast, 13 percent occurred at lunch, 5 percent at dinner and the remainder occurred as snacks, usually in the morning.

☐ Eggs are popular with higher-income families; 38 percent of restaurant egg eaters had an annual household income in excess of $40,000, although those individuals represented only 25 percent of all restaurant visits.

☐ Eggs are ordered more by males than by females (54 percent).

☐ The majority of egg eaters are 35 years old or older. Eggs are especially popular with 50 to 64-year-olds. They represented 28 percent of all egg orders, compared to only 15 percent of all restaurant traffic.

Source: National Restaurant Association CREST study, 1988.

Breakfast at a glance

☐ Breakfast is usually an "adults only" meal; 86 percent of breakfast parties are adults (compared to 79 for the overall industry).

☐ Fifty-one percent of breakfast eater occasions in 1988 were by patrons between the ages of 35 and 64. This age group represented only 43 percent of all restaurant visits.

☐ Breakfast posts the lowest average check size of all meals at $2.42.

☐ Average party size is comparatively small at breakfast—1.7 persons per breakfast meal. This reflects the fact that a large number of breakfast purchases are for only one person.

☐ Breakfast entrees are slightly more popular with men (52 percent).

☐ The five most popular breakfast foods in 1988 were:

- Eggs—46 percent of all eater occasions,
- Breakfast sandwiches (including biscuit sandwiches, English muffin sandwiches and other)—31 percent,
- Pancakes/waffles—19 percent,
- Sausage—19 percent and
- Bacon—16 percent.

☐ Regular coffee orders in restaurants decreased 26 percent between 1984 and 1988, while decaffeinated coffee orders rose 50 percent during that same time period.

Source: NPD/CREST Annual Report, 1988 and National Restaurant Association CREST study.

Highlights from the 1987 Census of Retail Trade

Since 1967, the U.S. Department of Commerce has conducted the Census of Retail Trade at five-year intervals as a means of monitoring the retail-trade industry, including eating and drinking places (SIC 58). This article presents the eating and drinking places data from the 1987 Census of Retail Trade, *including information on unit growth, sales and employment.*

Retail trade reached $1.5 trillion in 1987—up from $1.0 trillion in 1982, according to the *1987 Census of Retail Trade.* Eating and drinking places accounted for 10 percent of that total, or $150 billion. This marks a 46.3 percent increase from the last Census of Retail Trade in 1982, when eating and drinking place sales were estimated to be $102 billion.

In addition, the number of eating and drinking places in the United States grew 11.2 percent between 1982 and 1987—from 351,794 units to 391,303 units. The number of paid employees at eating and drinking places likewise grew—advancing 30.7 percent from 4,665,830 in 1982 to 6,099,720 in 1987.

Because these data often show variations by region, state and metropolitan area, it is helpful to also examine industry data at each of those levels. The National Restaurant Association has compiled data from the *1987 Census of Retail Trade* for eating and drinking places, eating places, restaurants and lunchrooms, cafeterias, limited-menu (fast food) restaurants, other eating places (including social caterers, contract feeders and ice cream and frozen custard stands), and drinking places for all 50 states and nine census regions.* It has also compiled eating place and drinking place data for 353 Metropolitan and Primary Metropolitan Statistical Areas. This detailed look at the *1987 Census of Retail Trade* is available in a new National Restaurant Association publication (see sidebar).

Here are some highlights of the *1987 Census of Retail Trade:*

Eating and drinking places

□ On a national level, eating and drinking places averaged $380,208 in sales per establishment in 1987, compared with $289,154 in 1982.

□ On a regional basis, the East North Central states had the most eating and drinking places in 1987—71,228. The Pacific region came second with 62,675 establishments.

□ The South Atlantic region accounted for $27.1 billion in eating and drinking place sales in 1987—the

*The nine geographic census regions are:
1) New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont
2) Middle Atlantic: New Jersey, New York and Pennsylvania
3) South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia and West Virginia
4) East North Central: Illinois, Indiana, Michigan, Ohio and Wisconsin
5) East South Central: Alabama, Kentucky, Mississippi and Tennessee
6) West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota
7) West South Central: Arkansas, Louisiana, Oklahoma and Texas
8) Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah and Wyoming
9) Pacific: Alaska, California, Hawaii, Oregon and Washington

Top 10 metropolitan areas in number of eating places, 1987

Rank		Number of eating-place establishments
1	Los Angeles-Long Beach, CA**	11,451
2	New York, NY**	11,141
3	Chicago, IL**	8,092
4	Philadelphia, PA-NJ**	5,624
5	Detroit, MI**	5,224
6	Washington, DC-MD-VA*	5,056
7	Boston, MA**	4,278
8	Atlanta, GA*	4,085
9	Houston, TX**	3,920
10	Nassau-Suffolk, NY**	3,878

*MSA = metropolitan statistical area, an integrated economic and social unit with a population of at least 50,000
**PMSA = primary metropolitan statistical area, an integrated economic and social urban unit with a population of at least 1 million

Source: *1987 Census of Retail Trade*

But wait—there's more!

Which state ranks the highest in eating place sales per establishment? How many cafeteria employees are there in Texas? What percentage of sales goes to payroll at restaurants and lunchrooms in Minnesota? Which metropolitan area is home to the most eating places?

The answer to these and other questions about the *1987 Census of Retail Trade* can be found in a new association publication, *Eating and Drinking Place Figures.*

Also included are:

□ state rankings by sales, number of employees and number of establishments for eating and drinking places,

□ rankings of metropolitan areas in terms of eating place sales and number of establishments and

□ detailed ratios of sales per unit, employees per unit, sales per employee, payroll and percent payroll of sales for all 50 states and the District of Columbia.

Copies of *Eating and Drinking Place Figures* (CS 949) are available to members for $25 and to nonmembers for $50. All orders must be prepaid.

You may order the publication by sending a check or money order to the National Restaurant Association Publications Department, 1200 Seventeenth St., N.W., Washington DC 20036.

Credit-card orders are accepted over the phone for orders of $10 or more. Call the association's Information Service and Library between 9 a.m. and 5 p.m. (Eastern Standard Time) at 1-800-424-5156 or (202) 331-5960 in Washington DC.

Regional highlights from census of Retail Trade

Regional data	Establishments		Sales ($1,000)		Paid employees	
	1987	Percent change from 1982	1987	Percent change from 1982	1987	Percent change from 1982
NEW ENGLAND						
Eating & drinking places	23,273	14.0%	$ 9,249,899	56.0%	356,209	31.4%
Eating places	20,495	19.5	8,696,516	58.7	338,309	34.2
Restaurants & lunchrooms	10,419	16.9	5,063,151	56.1	200,588	29.8
Cafeterias	341	−9.1	73,989	40.2	2,797	18.4
Limited menu (fast food)	6,976	17.1	2,588,050	66.6	95,023	41.8
Other eating places	2,759	44.3	971,326	54.2	39,901	41.2
Drinking places	2,778	−14.7	553,383	23.1	17,900	−5.4
MIDDLE ATLANTIC						
Eating & drinking places	62,079	7.6%	$ 21,383,261	45.0%	784,198	27.2%
Eating places	50,155	16.4	19,684,848	50.1	736,256	30.8
Restaurants & lunchrooms	24,936	15.7	10,476,344	44.9	388,003	25.9
Cafeterias	950	29.8	312,988	69.8	10,210	28.7
Limited menu (fast food)	17,704	10.8	6,105,203	53.7	236,148	37.6
Other eating places	6,565	36.1	2,790,313	61.3	101,895	35.3
Drinking places	11,924	−18.5	1,698,413	4.3	47,942	−10.4
SOUTH ATLANTIC						
Eating & drinking places	61,723	23.9%	$ 27,061,906	65.8%	1,109,103	50.3%
Eating places	56,655	27.4	25,932,028	68.1	1,073,505	52.5
Restaurants & lunchrooms	25,454	24.8	11,715,113	65.5	498,664	45.1
Cafeterias	1,410	16.2	836,258	39.3	31,713	38.6
Limited menu (fast food)	24,359	23.3	11,290,477	71.1	461,922	60.2
Other eating places	5,432	76.0	2,090,180	81.5	81,206	65.4
Drinking places	5,068	−5.5	1,129,878	26.6	35,598	4.4
EAST NORTH CENTRAL						
Eating & drinking places	71,228	5.7%	$ 25,214,172	41.1%	1,104,002	27.1%
Eating places	55,487	11.8	23,097,371	44.8	1,031,941	29.5
Restaurants & lunchrooms	25,380	7.9	10,694,977	33.2	497,466	17.5
Cafeterias	959	6.0	443,445	31.7	19,350	21.4
Limited menu (fast food)	23,182	12.5	10,130,516	57.7	441,471	45.1
Other eating places	5,966	29.1	1,828,433	57.0	73,654	38.7
Drinking places	15,741	−11.3	2,116,801	10.7	72,061	−0.2
EAST SOUTH CENTRAL						
Eating & drinking places	18,144	13.3%	$ 7,102,526	56.4%	303,875	43.7%
Eating places	16,796	15.6	6,907,113	58.4	296,717	45.3
Restaurants & lunchrooms	6,540	8.6	2,390,161	45.2	110,309	32.7
Cafeterias	450	−0.9	227,553	20.6	8,667	11.9
Limited menu (fast food)	8,450	19.3	3,877,480	71.0	162,262	59.4
Other eating places	1,356	40.5	411,919	59.8	15,479	33.5
Drinking places	1,348	−9.7	195,413	6.9	7,158	−0.9

highest of any geographic region.

Eating places

□ The number of eating places in the United States grew 17.1 percent from 284,059 in 1982 to 332,611 in 1987, and sales increased 49.5 percent from $93.2 billion to $139.3 billion.

□ The state of New Hampshire posted the highest growth in eating place sales, advancing 82.0 percent from 1982 to 1987.

□ One-half of all eating places were located in the South Atlantic, East North Central and Pacific states in 1987. Combined, these three regions accounted for $74 billion or 53 percent of eating place sales in 1987.

□ In 1987 the Los Angeles–Long Beach California area (PMSA) led all metropolitan areas in the number of eating establishments (11,451), sales ($5.8 billion) and paid employees (210,211).

Restaurants and lunchrooms

□ Restaurant and lunchroom sales reached $66.4 billion in 1987—up 40.8 percent from 1982. In addition, almost half (47.6 percent) of eating place sales were from restaurants and lunchrooms.

□ The average sales per unit for restaurants and lunchrooms across the nation was $428,928 in 1987. Restaurants and lunchrooms in the Pacific ($485,903), New England ($485,954) and South Atlantic ($460,246) averaged higher than national unit sales.

□ Florida posted the highest growth rate in number of units of restaurants and lunchrooms. Between 1982 and 1987, the number of restaurants and lunchrooms in Florida increased by 32.4 percent.

Cafeterias

□ In 1987, cafeterias employed roughly 19 people per unit—the highest of any of the eating and drinking places categories.

□ Although the South Atlantic region had the most cafeterias (1,410), the Middle Atlantic region posted the highest growth in cafeteria units between 1982 and 1987—29.8 percent.

□ Cafeterias were most prominent in the South and on the West Coast. In 1987, more than half of the nation's cafeterias were located in South Atlantic, West South Central or Pacific states.

Regional highlights from Census of Retail Trade

Regional data	Establishments 1987	Establishments Percent change from 1982	Sales ($1,000) 1987	Sales ($1,000) Percent change from 1982	Paid employees 1987	Paid employees Percent change from 1982
WEST NORTH CENTRAL						
Eating & drinking places	30,909	3.4%	$ 9,823,236	40.2%	466,825	23.1%
Eating places	24,934	8.3	9,022,041	43.9	437,627	25.5
Restaurants & lunchrooms	11,946	4.5	4,068,484	29.3	211,664	11.9
Cafeterias	522	−0.8	257,841	39.2	11,338	18.4
Limited menu (fast food)	10,329	10.0	4,019,266	56.8	187,127	43.1
Other eating places	2,137	26.8	676,450	79.6	27,498	44.1
Drinking places	5,975	−12.9	801,195	9.2	29,198	−4.4
WEST SOUTH CENTRAL						
Eating & drinking places	38,056	9.4%	$ 14,308,425	28.7%	589,793	18.4%
Eating places	34,049	14.1	13,552,334	31.0	561,671	20.5
Restaurants & lunchrooms	13,517	10.4	5,163,092	22.1	227,939	10.4
Cafeterias*	1,165	15.5	868,353	32.7	27,317	17.2
Limited menu (fast food)	16,885	13.9	6,408,820	39.6	266,117	31.6
Other eating places*	2,482	40.7	1,016,293	24.7	36,375	15.0
Drinking places	4,007	−19.0	756,091	−2.7	28,122	−11.6
MOUNTAIN						
Eating & drinking places	23,216	11.6%	$ 8,154,908	37.3%	365,015	22.9%
Eating places	19,367	16.4	7,467,686	40.2	340,629	25.5
Restaurants & lunchrooms	9,447	12.6	3,633,667	25.5	170,299	9.7
Cafeterias**	376	1.9	242,450	43.8	9,009	12.4
Limited menu (fast food)	8,009	16.1	3,058,784	60.4	135,990	48.0
Other eating places**	1,535	56.0	455,990	51.5	21,625	52.4
Drinking places	3,849	−7.7	687,222	11.7	24,386	−5.5
PACIFIC						
Eating & drinking places	62,675	14.1%	$ 26,478,164	45.1%	1,020,700	30.0%
Eating places	54,673	19.7	24,921,668	47.7	970,234	32.1
Restaurants & lunchrooms	27,082	18.9	13,159,216	36.6	517,257	21.0
Cafeterias	1,124	6.3	449,293	34.2	15,127	11.6
Limited menu (fast food)	22,210	16.2	9,391,287	61.8	366,158	45.1
Other eating places	4,257	56.4	1,921,872	73.9	71,692	73.9
Drinking places	8,002	−13.8	1,556,496	13.3	50,466	−0.8
TOTAL US						
Eating & drinking places	391,303	11.2%	$148,776,497	46.3%	6,099,720	30.7%
Eating places	332,611	17.1	139,281,605	49.5	5,786,889	33.3
Restaurants & lunchrooms	154,721	14.4	66,364,205	40.8	2,822,189	23.2
Cafeterias	7,297	9.9	3,778,078	37.8	138,380	22.5
Limited menu (fast food)	138,104	15.4	56,869,883	59.4	2,352,218	46.1
Other eating places	32,489	44.0	12,269,439	61.3	474,102	45.2
Drinking places	58,692	−13.4	9,494,892	10.9	312,831	−3.7

** Note that West South Central region data for cafeterias and other eating places does not include information from Arkansas*
*** Note that Mountain region data for cafeterias and other eating places does not include information from Nevada*
Source: *Census of Retail Trade, 1987*

□ Cafeterias in the West South Central region boasted the highest sales in the United States—accounting for $868.4 million, almost one-fourth (23 percent) of the category's total sales volume in 1987.

Limited-menu (fast food)

□ More than four out of 10 eating places (42 percent) in the United States in 1987 were fast food establishments.

□ The proportion of eating place sales from fast food establishments increased from 38 percent in 1982 to 41 percent in 1987.

□ In 1987 the South Atlantic region had the most fast food units (24,359), the most growth in units (23.3 percent) and the highest sales ($11.3 billion).

□ California had more fast food sales than any other state—$7.2 billion.

□ On a national level, limited-menu establishments posted a 46.1 percent increase in the number of paid employees between 1982 and 1987—the largest increase of any eating and drinking place category.

Other eating places (including social caterers, ice cream and frozen custard stands and contract feeders)

□ Other eating places showed high growth in both units and sales between 1982 and 1987. In that five-year span, the number of these establishments grew 44 percent, and sales increased 61.3 percent.

□ The Middle Atlantic region was tops in units (6,565), sales ($2.8 billion) and number of paid employees (101,895) for this restaurant category.

□ The average unit had sales of $377,649 in 1987, but units in the Pacific ($451,462), Middle Atlantic ($425,029), West South Central ($409,465) and South Atlantic ($384,790) posted better-than-national average sales.

Drinking places

□ Despite witnessing a sharp decline in the number of units nationwide (down 13.4 percent from 1982), sales from drinking places were 10.9 percent higher in 1987.

□ Drinking places had the fewest employees per establishment (5.3 people) of retail foodservice establishments on a nationwide basis. Drinking places in the South Atlantic and West South Central regions employed the most people per unit—7.0 persons, while those in the Middle Atlantic states employed the fewest—4.0 persons.

—Nancy Michalski

Foodservice Market Measure—Sept. 1989

The Foodservice Market Measure regained some ground in September, compared to its disappointing August showing. This upswing suggests that the August setback was most likely related to a short-term cash shortage among the many consumers who took advantage of automobile bargains. However, the small August-to-September increase in patronage was not a significant one. Forty-five percent of adults reported they were foodservice patrons on a typical day in September, versus 43 percent in August. Comparatively speaking, 44 percent of adults reported they were patrons in both August and September 1988.

For on-premises patronage there was a significant 5 percent increase in the proportion of adults who ate in a restaurant—from 24 percent in August to 29 percent in September. This gain can be attributed to increases in breakfast or dinner patronage, but lunch patronage—both on and off premises—was virtually unchanged.

Because in recent months the Market Measure has been relatively volatile, it is useful to look at cumulative numbers to see where the industry stands at summer's end. For the four-month period from June through September, the percent of adults who were foodservice patrons on a typical day was up about 4 percent this year compared to last. However, all of the increase in this measure is due to a 14 percent gain in off-premises or takeout patronage. Conversely, those who were on-premises patrons from June through September actually declined by nearly 6 percent.

The story for adult customer traffic is less upbeat. During the four-month period, customer traffic was virtually unchanged from 1988 to 1989. Off-premises traffic increased, but on-premises traffic was down at each of the three meal periods.

Patronage for snacks may be on the upswing, however. Nearly 5 percent of adults reported purchasing a snack from a foodservice outlet this September—the highest figure reached since the Market Measure started in June 1988. Furthermore, snack patronage was up 16 percent in the June-September period this year versus one year earlier.

—Susan Mills

Percent of adults who were foodservice patrons on a typical day

Source: National Restaurant Association Gallup Survey

Percent of adults who were foodservice patrons on a typical day

Meal period	September 1988	August 1989	September 1989
Breakfast	5%	3%	5%
Lunch	21	19	20
Dinner	21	21	22
Snack	3	3	5
Total	**44%**	**43%**	**48%**

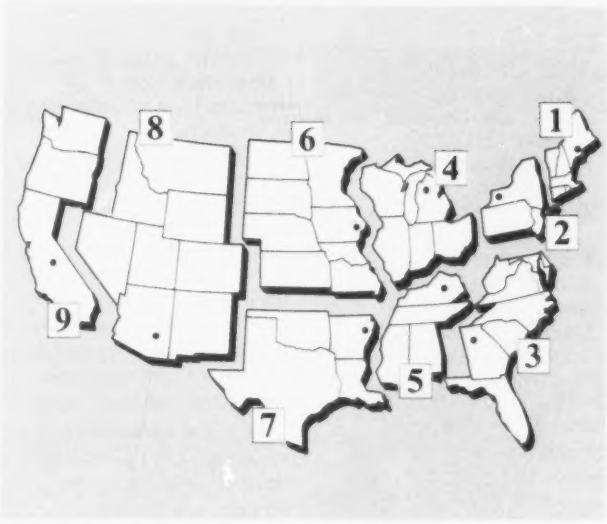
Source: National Restaurant Association Gallup Survey

Foodservice Market Measure

The Foodservice Market Measure is based on 1,000 telephone interviews, conducted by the Gallup Organization each month, with a nationally representative sample of adults age 18 and older. Each person is asked the same questions:

1. Which of the following did you do yesterday?
   - ☐ Ate on the premises of a restaurant, fast food place, cafeteria or any other place where you purchased a meal or snack.
   - ☐ Purchased takeout food "to go" or had it delivered.
2. Was the food you ate on premises yesterday for breakfast, lunch, dinner or a snack?
3. Was the takeout food you purchased or had delivered for breakfast, lunch, dinner or a snack?

The monthly tracking of purchases is supplemented by quarterly inquiries on topics of industry interest.



1 NEW ENGLAND

Location: Bath, ME
Association members: Nicholas and David Sewall
Operation: Montsweag Farm Restaurant
Profile: Fullservice restaurant
In business: 35 years
Seats: 225
Meals served: Lunch, dinner

Paths through gardens, a pond and a waterfall reflect this restaurant's past life as a nursery. The property had also been an apple orchard, and apple trees still grow behind the restaurant. In fact, the restaurant is housed in the converted barn where the apples were once stored. Because of its accessibility to Route 1, many tourists stop by. The restaurant also does a good business with locals—especially on winter Sundays when they come to enjoy the $5.95 roast-beef dinner.

Restaurant accountant **Dixie Hamrick** reports business is off this year in all of Maine. Competition is especially keen, and finding help is such a problem that many restaurants have had to increase their prices to keep up with wage demands.

2 MID-ATLANTIC

Location: Buffalo, NY
Association members: Frank and Mario Cipriani, Mike Hruschak
Operation: Garcia's Irish Pub
Profile: Sports bar/restaurant
In business: 6 years
Seats: 500
Meals served: Lunch, dinner

Garcia's Irish Pub is named after Sean Garcia, the adventuresome son of an Irish mother and a Spanish sea captain. The restaurant's menu says he settled down in Buffalo, after his search for fortune and glory took him to the four corners of the globe.

This sports bar/restaurant is near both the home of the city's hockey team and the new baseball stadium. On hockey nights, says manager **Mike Hruschak,** the pub averages more than 300 customers. And since the stadium was completed two summers ago, business is up 50 percent.

Garcia's occupies three floors of a converted five-story warehouse with public dining rooms, private party rooms and bars.

The main-floor dining room has a varied menu featuring regional favorites such as Buffalo wings, New York cheesecake and smothered steak. For TV sports fans, there are appetizers such as the beer-battered deep-fried zucchini.

3 SOUTH ATLANTIC

Location: Atlanta, GA
Association members: William Swearingen, George Gore, Laura Rozalsky
Operation: The Abbey
Profile: Fine-dining restaurant
In business: 20 years
Seats: 300
Meals served: Lunch, dinner

The Abbey's steeple, 60-foot stained-glass windows and high vaulted ceiling leave no doubt that the restaurant occupies what was once a church. Waiters in monks' robes and a harpist who strums in the choir loft help retain some of the ecclesiastic atmosphere.

The Abbey has won many awards for its extensive wine list and menu. All foods are made on premises, including the pastry, pasta and ice cream. An appetizer of lobster ravioli with sauterne sauce, an entree of breast of pheasant with sweetbreads in a Madeira sauce with truffles, and a chocolate cognac fig torte with chocolate hazelnut glaze are examples of some of the dishes found on the continental menu.

The Wine Cellar, one of three areas set aside for private parties, holds up to 20 persons and is frequently the site of eight-course gourmet dinners.

Manager **Laura Rozalsky** reports summer is always a little slow at The Abbey, but prospects for the upcoming year look excellent because of the large number of conventions scheduled for Atlanta.

4 EAST NORTH CENTRAL

Location: Grayling, MI
Association members: Kathy Ashton, Margaret Budek
Operation: Spike's Keg O'Nails
Profile: Bar fare
In business: 60 years
Seats: 72
Meals served: Lunch, dinner

Spike retired some years ago, but the new owners have kept things much the same as they were in his day. Located two hours north of Saginaw, in an area known for its trout fishing, Spike's looks like a log cabin, with a rustic, cozy, dimly lit interior. Memorabilia include a photo of the Detroit Tigers and a framed autograph of Sparky Anderson, a stuffed Jackelope (a rabbit with horns) and a canoe paddle commemorating the canoe race held in the area every year.

The food is mostly bar fare—sandwiches and munchies—and the World Famous Spikeburger is the bar's signature item.

The bar is a popular stop for travelers heading to and from the resorts farther north. Many of them remark that when they were children their parents used to bring them there for hamburgers. "And now they're stopping with their children," notes owner **Kathy Ashton.** In spite of the area's fluctuating economy, "business has increased every year," she says.

5 EAST SOUTH CENTRAL

Location: Berea, KY
Association member: J B Morgan
Operation: Boone Tavern Restaurant
Profile: Hotel restaurant
In business: 82 years
Seats: 270
Meals served: Breakfast, lunch, dinner

Berea, 40 miles south of Lexington—where the mountains meet the Bluegrass—is called the crafts capital of Kentucky. But it is most famous as the home of Berea College, a private, non-denominational college dedicated to educating students from low-income families from the mountains of the southeastern United States.

The students are required to work 10 to 20 hours a week, mostly in college-sponsored industries. The Boone Tavern Restaurant, part of a small hotel, has a staff made up of 83 percent students, many of whom are also working toward a degree in the college's hotel and restaurant management program.

The white-tablecloth, fullservice restaurant promotes leisurely dining. The specialty is Southern food, with all breads, jellies, sauces and relishes made on premises.

Business is down a little, says general manager **J.B. Morgan.** He attributes the drop to the fact that the interstate that runs by the town is being rebuilt, and people who would normally stop on trips North and South are deterred by the construction.

6 WEST NORTH CENTRAL

Location: Davenport, IA
Association members: Gerald Liske, Lori Cawiezell
Operation: Chef's Hat
Profile: Midscale family restaurant
In business: 25 years
Seats: 180
Meals served: Lunch, dinner

Business in Davenport was hurt when some of its industrial plants closed, but townspeople are hopeful that new businesses will move in to replace them. Chef's Hat administrative executive **Lori Cawiezell** reports business at the restaurant was helped by remodeling, but still isn't up to former days.

Cawiezell describes Chef's Hat decor as '80s, with brass chandeliers and stained and etched glass partitions.

Patrons especially enjoy the hot buffet—fish, ham, chicken, pizza and spaghetti, vegetables, dessert and a full salad bar, all for $4.20 at lunch, $5.50 at dinner.

7 WEST SOUTH CENTRAL

Location: West Memphis, AK
Association member: Linda Currie
Operation: Iron Skillet No 11
Profile: Chain restaurant in truck stop
In business: 3 years
Seats: 178
Meals served: Breakfast, lunch, dinner

Iron Skillet No. 11, located in a truck stop between two interstates, attracts people driving to and from Arkansas and Tennessee. They come to West Memphis for dog races and across the Mississippi River to Memphis to visit Elvis Presley's estate, Graceland. "Business is terrific," says manager **Linda Currie,** who won an award from Petro Inc., the parent company, for the increase in sales.

Iron Skillet has an extensive 24-hour-a-day menu. "If it's not on the menu and I have it in house, I'll fix it," says Currie. There's a daily lunch special, an 18-item salad bar, a choice of sandwiches and a wide selection of made-on-premises desserts, such as strawberry pie—the specialty.

The three dining rooms are decorated with antique flea-market finds. One section, equipped with telephones, is primarily for truckers who want to conduct business or keep in touch with their families as they eat.

8 MOUNTAIN

Location: Tuscon, AZ
Association members: Hideo Kaiho, Laura Lohner
Operation: Tequila Mockingbird
Profile: Casual, Mexican-American restaurant
In business: 12 years
Seats: 140, 170 in the cantina
Meals served: Lunch, dinner

Tequila Mockingbird has a Mexican flavor, even though it's owned by a Japanese holding corporation. Mexican-American dishes are the main offerings, but the menu changes daily and may include Chinese food or ribs. At happy hour free munchies, such as small tacos and Mexican lasagna, are served in the cantina, along with the drink specials. Next door is a six-screen movie theater, and often drinks are tied in with the movies. For example, Joker's Juice, with green creme de menthe as the main ingredient, was a special when *Batman* was being screened.

Located in a small mall just east of the University of Arizona campus, in an old, well-established neighborhood, Tequila Mockingbird attracts shoppers for lunch and families and couples for dinner. Nearby are resort hotels and a park with a golf course. "Sales are up 10 to 15 percent over last year," says general manager **Laura Lohner.**

9 PACIFIC

Location: Madera, CA
Association members: Robert, Helen and Christopher Mariscotti
Operation: The Vineyard
Profile: Fullservice restaurant
In business: 12 years
Seats: 110
Meals served: Lunch, dinner, Sunday brunch

Madera is in a grape-growing region 20 miles north of Fresno. Most of the grapes are made into raisins, but the area also has three wineries. Of the wines made there, the best known is the port; during the Nixon years, Madera port was the only American wine served in the White House.

The Vineyard, made of brick and timbers, is intended to look like a European winery, but its tall tower causes some people to mistake it for a church. Inside is a high ceiling and more beams and brick.

Meats at The Vineyard are grilled on a broiler that burns grape wood from the vineyards, giving the fish, steaks and chicken breasts a distinctive flavor. Desserts are made on premises and include pies, chocolate mousse, brownies and pineapple cake.

Business is improving, says owner **Robert Mariscotti.**

—Julie Fintel

Power seating

Presidential visits have boosted sales and prestige at restaurants in and around Washington DC since Bush took office in January. Bush, who is known for his impromptu public outings,

doesn't like a big fuss when he dines out, but the Rio Grande Cafe in Bethesda, Maryland, couldn't help but promote the fact that "President Bush ate here" after his July visit—and it found a unique way of doing it. The restaurant took the chair Bush sat in and painted it red, white and blue. Now the chair is rotated from table to table so customers can see it and—if they're lucky—eat their dinner in the power seat.

—The Washington Post Magazine

Soup for the "Soup" set

The cast and crew of the new TV comedy series "Chicken Soup" can spoon up inspiration from a weekly special delivery by the Carnegie Deli in Beverly Hills of—what else—chicken soup. Every Friday—the day the show is taped—the Carnegie delivers oversized cartons of the steaming brew to the studio for "medicinal purposes" and to wish the show, based on the life of a character created by Jewish comedian Jackie Mason, "matzo luck."

Judging from the healthy ratings the sitcom has received, the chicken soup may just be working.

—Solters, Roskin, Friedman Public Relations

Two's the limit

There is a restaurant in Portland, Oregon, that is so exclusive that customers have to make their reservations up to a year in advance. It's not only the desire to sample the restaurant's excellent gourmet cuisine that is causing the backlog of customers, there is a slight space problem. The Table for Two restaurant is just that—a table for two—and owners Nancy Briggs and Juanita Crampton steadfastly refuse to add even one more chair, despite pleas to expand their operation.

Briggs and Crampton started the restaurant four years ago when they decided they needed feedback on the food they prepared for their catering business. The idea of opening a fullscale restaurant didn't appeal to them, so they compromised by opening what could be the world's smallest restaurant. At first, Table for Two served mostly friends and family, but a local restaurant critic came for lunch and proclaimed the food the best in town. Now the restaurant is booked months in advance.

Although they will take occasional requests, Briggs and Crampton prefer to create their own menus, and many of the dishes they serve are experimental. They simply ask customers what kinds of foods they will not eat and work around those items.

—Wall Street Journal

Hyatt execs get "in touch"

It's not every day that a customer at the Hyatt Regency in Chicago can sit down at the bar and have the company president mix him or her a drink, but that's just what Hyatt Hotels Corporation President Darryl Hartley-Leonard was doing during the chain's first annual "In-Touch Day," held in September.

Hyatt launched the program in response to a company-sponsored survey of business travelers, who indicated that their biggest fear is poor service from hotels, airlines and car-rental companies. In an effort to combat this fear and to get a firsthand look at customers' needs, 375 of Hyatt's executives across the country worked as busboys, bellhops, doormen, maids and front-desk clerks for one day. "In-Touch Day" was an eye-opening experience the company is hoping will help communications between employees at the executive and front-line levels.

—The Washington Times

Thief finds "just desserts"

When the burglar made off with pastry chef Lindsey Shere's purse, he took a lot more than money and credit cards. What he stole was 18 years' worth of professional experience—her recipe collection.

Shere has been creating desserts and pastries for the famous Berkeley restaurant Chez Panisse since it opened in 1971. Through the years, Shere has accumulated hundreds of recipes—many of which are her own creation—in a loosely bound notebook, which she always kept in her purse for safekeeping. Shere has depended on the notebook for making cookies, cakes, pies, puff pastries, sherbets and icings—and she has never made a copy of the recipe collection since she is constantly updating it. Fortunately, some of the recipes had been copied by members of her staff for their own notebooks, but dozens will be lost forever.

Shere is offering a $500 reward for the return of the precious book, but there is little hope that the recipes will be recovered. She is already hard at work attempting to recreate some of the lost recipes—a task she considers "overwhelming," but not impossible.

—Chicago Tribune